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# The Guardian

Printed in London, Manchester, Frankfurt and Roubaix

Clare Boylan on:

## Sunshine: why we need it

G2 with European weather



Addictive personalities

## Stars on the sauce

G2 page 7



OnLine

## Fast bucks

G2 pages 12-13

# In the open: the plot to kill Gadafy

Richard Norton-Taylor

**B** RITAIN'S foreign intelligence service, MI6, attempted to kill Libya's leader, Colonel Muammar Gaddafi, two years ago in a plot that led to the deaths of several bystanders, it was claimed yesterday.

The New York Times reports that Mr Shayler claims: "MI6 tried to assassinate Colonel Gaddafi in February 1996 by planting a bomb under his motorcade." But agents placed the bomb under the wrong car, killing several bystanders.

Under British law it is legal for MI6 to carry out acts abroad which would be outlawed in Britain, providing they are authorised by the Foreign Secretary. Malcolm Rifkind held the post at the time of the alleged plot.

There have been numerous attempts on Col Gaddafi's life. The last reported attempt to kill him was two months ago, when gunmen opened fire on his entourage near Benghazi.

In an attempt to seek further clarification, reference was made by the Guardian to the European Court of Human Rights judgment in the Spycatcher case, which ruled that to prevent publication of material which had appeared elsewhere was a breach of the right to freedom of expression.

The BBC has also questioned the injunction in the past 24 hours. It has been conducting an investigation into the allegations and has amassed further information about the alleged plot.

John Wadham, Mr Shayler's lawyer and director of the civil rights group, Liberty, said yesterday he was trying to free him from jail in Paris, as he began to fight the Government's request to extradite Mr Shayler to Britain, where he faces charges under the Official Secrets Act.

Speaking from Paris, Mr Wadham said: "I hope to be able to get a bail hearing next week and I hope then he will be released." But it could be months before Mr Shayler finds out if he will be returned to face trial in Britain.

## Anti-gay bishops crush liberals

Madeline Bunting  
Religious Affairs Editor

**A** NGLICAN bishops averted a 'damaging' split yesterday by voting by a huge majority that homosexuality is incompatible with Biblical teaching and that sex is only permitted within marriage.

it was Dr Carey's own views on homosexuality and the relationships he has built up on his visits to Africa which prevented them from walking out of the three-week Conference, in Canterbury.

During the debate, the Rt Rev Alexander Malik, Bishop of Lahore, Pakistan, voiced the horror of many bishops at the idea of same-sex unions and the ordination of active homosexuals.

"It is not gay bashing to uphold the authority of Scripture. It is a matter of faith and dogma. What will we do at the next Lambeth when people ask for blessings for union with their pet animals - dogs and cats?"

The Most Rev Moses Tay, Archbishop of Singapore, one of the key conservatives behind yesterday's decision, warned the conference against "unhealthy literature which can be polluting" from provinces with a more sympathetic attitude to homosexuality.

The conference's headline resolution stated that it could not "advise the legitimacy or blessing of same-sex unions or the ordination of those involved in same-gender unions". This is a significant setback to the campaign for gay rights within the Church of England.

English bishops currently teach that faithful homosexual relationships are acceptable for the laity but not for the clergy.

In practice, there are a significant number of practising homosexual priests, and several bishops have admitted that, when ordaining they do not inquire into priests' sexual habits.



Gay church activist Richard Karker (left) at Canterbury yesterday, argues with Bishop Chukwuma of Nigeria, who tried to 'cure' him by laying on hands. PHOTOGRAPH: SIMON FRYTHMAN

## Move over John Grisham, Ulysses is new best seller



**G**ARY YOUNGE in Washington

ONE of the most challenging books in the English language, James Joyce's Ulysses, has shot up the bestseller list, ahead of popular novelists such as John Grisham and Tom Clancy, thanks to its number one ranking in a list of the best 100 novels published last month.

Ulysses is now the number two bestseller on the online bookseller, Amazon.com - (behind Rebecca Wells' Divine Secrets of the Ya-Ya Sisterhood) - and has enjoyed a 50 per cent increase in sales in some bookshops.

"We were looking for a copy of Ulysses this morning and found that we had sold out," said Mary Ann Brownlow, a spokeswoman for Borders Books, a US national book chain.

The board chairman of the Modern Library, Christopher Cerf, said: "I think the process is to some degree a scam, but it's a good scam. I mean that in the best sense of the word."

## Inside

**Britain**  
Parts of the British coast at risk of flooding should be abandoned to the sea, a committee of MPs advocated.

**World News**  
At the Los Angeles Police Department, the female officers' LAPD are in take on trademark status to avoid cheap imitations.

**Finance**  
The Bank of England faces a dilemma over interest rates as manufacturing output figures show the sector clawing out of recession.

**Sport**  
South African fast bowler Allan Donald was fined \$500 for the eve of the Fifth Test for criticising umpire Mervyn Hudson.

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## In G2 Consumer today: Internet shopping will help make the weekly struggle a thing of the past

**+ EUROBABBLE: If you're crossing the Channel this summer, don't pin your hopes on being able to stop for a pint...**

Leaked papers reveal tampering to prison reports that misled release panel □ Killer appeals for new hearing against 'spurious refusal'

# Kray cheated of parole, says lawyer



Reg Kray... hoping for release after 30 years

Duncan Campbell  
Crime Correspondent

**R**EG KRAY was unfairly denied parole when he applied earlier this year, according to leaked official documents. These suggest that evidence helpful to Kray was altered by senior officials before the Parole Board considered it and that Kray was misled by prison officials as to what he had to do to secure his release.

Kray, aged 64, completed the recommended 30 years of

a life sentence for the murder of Jack McVie in May. However, his application for parole was turned down in April and he was told he could not apply again until 2000 because he had been drinking alcohol in prison, was "deviant and manipulative" and had failed to complete "offending behaviour" work.

Now internal case work papers on Kray, compiled after his application was turned down, indicate that the Parole Board was misled as to his fitness for release. His solicitor, Trevor Linn, has written to the Home Secretary, Jack Straw, to ask

that the parole refusal be set aside and a new hearing held.

The official case work papers on Kray, which were sent anonymously to Mr Linn in a brown envelope, suggest that the reasons for refusing him parole were "spurious and unsubstantiated" and that the Parole Board's decision not to move Kray to an open prison in preparation for release was "spurious".

The papers, which will have been compiled by the official charged with monitoring Kray in prison, address the grounds given for not preparing Kray for release.

On Kray's admission of

drinking alcohol while inside, the assessment suggests that, since he had never become violent or been disciplined because of his behaviour after a drink, he would appear to have alcohol under control.

The case work papers quote the Home Office research document, Alcohol Misuse and the Prison Community, which had suggested that alcohol could be made available to some inmates as it helped them learn controlled drinking before they left prison.

On his "manipulative and deviant behaviour", the assessment suggests that Kray would hardly have admitted

to drinking in prison, knowing the problems it would cause, if he were manipulative and deviant.

As regards not taking part in an "offending behaviour course", the papers state that Kray was "told in no uncertain terms by a named prison official that he would be getting out anyway" and did not need to bother with such a course.

The papers suggest that Kray had, in fact, decided that he would attend such a course if it was required, as he wanted to demonstrate his willingness to work with the regime at Wayland prison in

Norfolk where he is currently held.

The documents also suggest that the original, sympathetic, assessments of Kray had been altered before they were sent to the Parole Board. While it had originally been stated that "celebrities... sought to ingratiate themselves with the Krays... the inference was changed to how the Krays sought to ingratiate themselves with celebrities".

Reference to the fact that Kray had demonstrated that he was in control of his drinking had been removed.

In his letter to Mr Straw,

Mr Linn writes: "The altering of evidence in this fashion is scandalous." He adds that as the Parole Board decision was based in part on evidence that had been altered without consent, the decision should be set aside and the case referred again.

Kray, who recently married for the second time, said from prison yesterday: "With this revelation, I'm obviously hopeful of a new parole review and the prospect of release. If it [the documents] reveal anything, Jack Straw and the prison service need no lessons from me on being manipulative and deviant."

## Director savages 'dinosaurs' of the opera

Amelia Gentleman

**L**ADING lights of the opera world will be nursing new bruises today after a prominent director dismissed them as "horrible Jurassic Park dinosaurs", prone at best to churning out mediocre performances.

Jonathan Miller, who directs the occasional opera when he has time off from his work as a doctor, writer, exhibition curator and theatre director, launched a stinging attack on uninspired performances, routinely delivered, by ageing prima donnas.

Describing the industry's big names as inflexible, Miller said in an interview with Classic FM Magazine: "Some have a standard performance which they virtually mail in — they come with a floppy disc, put it in the machine and hope that the production will play it."

"They are horrible, these Jurassic Park performers who arrive like huge dinosaurs with shreds of primeval vegetation hanging from their jaws and just do their bit," Jonathan Miller

ing disdain for the new audiences that popular singers such as the Three Tenors — Luciano Pavarotti, Placido Domingo and Jose Carreras — have attracted to opera.

"If you perform Il Trovatore with Pavarotti, then you attract an audience of the sort that applauds when the curtain goes up, and you know you've committed a deeply vulgar error," he said.

Asa Khondaker, editor of Opera Now, agreed that some of opera's best-known figures



Jonathan Miller, writer, doctor and one-time opera director, offended by the genre's ageing stars and new, populist audiences, who don't know when to clap PHOTOGRAPH: JANE BOWEN

were past their prime. "Jonathan Miller is a bit of a tyrannosaur himself, but there is an element of truth here," he said.

"Certainly, Pavarotti can still produce a few vocal fireworks, but he is 62, which is quite old for a singer. And Dame Kiri Te Kanawa radiates stardom, but she doesn't sing as well as she did — she's become more of an icon. People still want to see them, just as they want to see the Rolling Stones or Tom Jones — also dinosaurs who don't

make the sound that they used to."

A spokeswoman for the Royal Opera House, where Miller directed a highly acclaimed production of Così fan tutte, said: "Obviously Mr Miller is entitled to his opinion, but I don't think his comments are applicable to the Royal Opera House. Most experienced opera singers come with a will to work, and while they may already have ideas about how a part should be played, they are usually will-

ing to discuss it with the director."

Dismissing the suggestion that opera's big names were often dinosaurs, whose voices and enthusiasm had faded, she said that Miller had been given a cast of young singers to work with for his ROH productions.

A spokesman for English National Opera, where Miller has directed a number of productions, said no operatic dinosaurs ever performed with them.

Miller has a reputation for outspoken comments. In 1982 he publicly declared — but did not carry out — his intention of giving up working in theatre and opera.

In 1991, he announced he was planning to leave England because it was "a mean, peevish little country", adding: "I can't quite get the point of opera critics' spitefulness."

Wounded divas may find some consolation in Miller's admission that he is not actually particularly interested in opera. "I never listen to the

opera nor go to it," he said. "I can't even sit through my own productions. I can't read music and I'm not interested in the theatre. In fact, my career has been a succession of unsolicited invitations that I have been too weak-willed to resist."

## Saddam raises stakes by blocking arms checks

Julian Borger and Mark Tran

**S**ADDAM Hussein began another head-on confrontation with the West last night when he formally broke off co-operation with the United Nations commission investigating his arsenal of biological and chemical weapons and with the International Atomic Energy Agency.

The decision was framed as a unanimous vote by the Iraqi parliament and quickly ratified by the Revolutionary Council, the forum in which President Saddam customarily announces his decisions.

It came two days after the break-up of talks with the UN Special Commission on Iraq (Unscim) on its plans to carry out a fast-track series of inspections to verify Baghdad's claim to have destroyed all weapons of mass destruction.

Earlier, Unscim's chairman, Richard Butler, had played down the impasse, telling the BBC it was not a crisis. But President Saddam, by freezing Unscim's routine operations, raised the stakes significantly.

An Iraqi statement said it had been decided to "com-

pletely suspend co-operation with the UN weapons inspectors and the IAEA, the nuclear watchdog. It said UN monitoring would, however, be allowed on condition that UN personnel "carry out the monitoring strictly respecting Iraq's sovereignty, security and its people's dignity".

This means UN experts can no longer search suspected weapons sites or gain access to documents. However, monitoring cameras and sensors installed in suspected weapons sites will remain. In messages to the Arab League in Cairo yesterday, Iraq declared it had lost patience with Unscim, which it accused of serving United States and British interests. It urged the league to help it lift sanctions imposed after the 1990 invasion of Kuwait. Baghdad blames the embargo for hundreds of thousands of Iraqi deaths.

Mr Butler was due to brief the UN secretary-general.

### Baghdad holds the initiative after widening rift in UN Security Council

Kofi Annan, yesterday before they both report to the Security Council today, Washington, London and other capitals have withheld final judgment on the seriousness of the situation until then.

The Security Council is expected to issue a low-key statement, hoping to sidestep a rerun of the confrontation in January that almost precipitated US and British air strikes against Iraq. Diplomats acknowledged that Baghdad holds the initiative, after widening divisions on the council last time between the US and Britain on the one

hand and France, Russia and China on the other.

A UN resolution in March, following the last crisis, threatened Iraq with the "severest consequences" if it failed to live up to its agreement to allow Unscim access to suspected weapons sites and relevant documentation.

US officials at the time interpreted the resolution as a licence to inflict punitive air strikes if Baghdad again obstructed inspections. Now Washington is playing down that possibility, while insisting it remains an option.

The US still has 100 warplanes in Saudi Arabia, an aircraft carrier with about 75 aircraft aboard, and 13 other warships in the Gulf, together with 20,000 troops. Britain maintains Tornados in Kuwait as its contribution to policing the no-fly zone in southern Iraq.

Mr Butler described Baghdad's position as "Frankly not supportable" and said he was puzzled by it, as Unscim inspectors had been close to declaring Iraq in compliance with UN resolutions on missiles and chemical weapons.

But he said his team was not close to giving Iraq a clean bill of health over its suspected biological arsenal.

"Biology is a mess, but Iraq knows that, which is perhaps one of the reasons why they've spent a lot of time in talks putting up a smoke-

## Shockingly funny gay memories

Review

Phil Daoust

Scott Capurro  
The Pleasure, Edinburgh

**S**COFF Capurro is musing around a gay bar in San Francisco, getting wasted on Martinis and trying to wheedle some advice out of his unseen lawyer friend. He seems to be mixed up in a suicide, or worse. Andrew Lloyd Webber's Memory is playing in the background. Capurro begins to unfold his unhappy tale with the aid of a pair of oven-glove puppets. When a third character enters the story, he takes off a shoe, unrolls a sock and presses that into action.

This is the start of one of the oddest, funniest, most disturbing shows you are likely to see at this year's Edinburgh Festival — an unlikely cross between American Psycho, and Scooby and Sweep.

Capurro's character is waspish and witty, shallow as a fairy's footprint and camp as a row of pink tents. He makes his living as a comic, acting straight for his public and dreaming of one day making it big in TV. He claims to relish the gay scene, yet has an unconscious distaste for it. He also has a big thing for straight-acting gays — or at least one of them, the divine Taylor, whom he picks up at a pool table.

Taylor is up for a one-night stand, but nothing more. He doesn't return Scott's calls, and pretends not to recognise him when they meet at the beach. This one-sided love affair can only end in tears.

And, in this case, blood, spunk and dismemberment. Capurro describes this new one-man show, Brain Soufflé, as "a comedy about murder and date rape", which says it all. It's a mostly hilarious hour, if you can take the explicit descriptions. He has created an appalling yet engaging character, all neurotic vulnerability and merciless cynicism, whose remarks about lust — "Stupid is sexy", or "I'm frightened, yet I have an erection" — will strike a chord with gays and straights alike.

But there's a horrific side to the general hilarity. Brain Soufflé ends with Capurro begging Taylor till he bleeds, then dragging and killing him.

Capurro makes no claims to good taste — his stand-up routine includes jokes about Anne Frank — and this atrocity is not a few throwaway lines but a detailed description, involving characters he has fleshed out for an hour.

It's remarkably powerful, the contrast between the bitchy, self-obsessed narrator and the terrible acts he's detailing — and you'd expect it to shock audiences into silence. Yet on the night I saw it, the fans guffawed fit to wet themselves. It's hard to believe this was what Capurro intended.

*I'm converted...*

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*Haleh Kawash (London)*  
A real Primus customer.

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## The Shayler affair

## Did MI6 really try to assassinate Colonel Gadhafi?

Claims by David Shayler, an ex-MI5 agent, surfaced in the New York Times yesterday. That account is reproduced below

The New York Times

By Sarah Lyall

**D**ID the British government try to assassinate Colonel Muammar Gadhafi, the Libyan leader, in February 1986 by planting a bomb under his motorcade? And did the plan go awry because agents from MI6, the foreign intelligence service, put the bomb under the wrong car, killing several Libyan bystanders?

Britons may never know the answers, or even the credibility of the assertions, but for the last few days the nation has been consumed by the questions. Or at least sort of consumed, because news organisations are not really allowed to ask them.

A sweeping injunction has barred newspapers and television news programmes from publishing the embarrassing allegations about the inner workings of Britain's security services, brought up by a disgruntled former officer. The media have been forced to discuss the allegations without actually saying what the allegations are.

"I've known these things for something like 16 months, and I am not allowed to publish any of it," said Jonathan Holborow, editor of the Mail on Sunday.

It was the Mail on Sunday that a year ago published an initial round of disclosures by the disgruntled agent, David Shayler, aged 32, who left his job at MI5 — the domestic security agency, where he worked on the Libyan desk — in early 1997.

At the time he said he was frustrated at the organisation's incompetence, mismanagement and lack of accountability. Among other things, he said MI5 had kept files on several members of the current government, including Peter Mandelson, the Trade and Industry Secretary, when they were active in student movements in the 1970s. He also spoke of low morale and drunkenness in the agency.

Shocked at the airing of intimate details about MI5, the Government quickly obtained a far-reaching civil injunction barring the British news media from airing any more of Shayler's allegations.

Sensing that he faced arrest under Britain's draconian Official Secrets Act, Shayler fled the country. But last week the long arm of the Government caught up with him. The former agent, who was threatening to publish details of the supposed Gadhafi plot on the Internet, was arrested in a hotel room in Paris. He is

now in a Parisian prison, fighting Britain's efforts to extradite him.

"He's a whistleblower," said Shayler's lawyer, John Wadham, the director of Liberty, the civil liberties group.

"In comparison with the [United] States, we have no real system of political accountability or legal accountability," he said, since the spy services are not even accountable to Parliament. "Under the law here, if David disclosed the colour of the carpets in the office where he worked, that would be a criminal offence."

The case is threatening to turn into a repeat of the infamous Spycatcher case of 1988, in which Peter Wright, a retired intelligence officer, published a book disclosing embarrassing secrets. The government spent hundreds of thousands of pounds to ensure the book would never be published — nor its allegations printed — in Britain, but copies were smuggled in from the United States and sold to the curious and the daring by the side of the road.

Now, with the advent of the Internet, it is probably only a matter of time before Shayler's allegations are disseminated.

Even so, the Government

has taken the harshest possible stand against the news media. "The thinking behind the injunction is that because of the nature of his work, it's possible that national security can be damaged," said a spokeswoman for the Home Office, who spoke on condition that her name not be used.

Strangely enough, the Government told the press earlier this week it could report the allegation about the Gadhafi assassination plot in the vaguest possible terms because, the Home Office spokeswoman said, "it is untrue".

But it forbade reporting of related details, such as the allegations that the agent in charge had ties to a shady rightwing fundamentalist group in Libya, and that he was paid \$100,000.

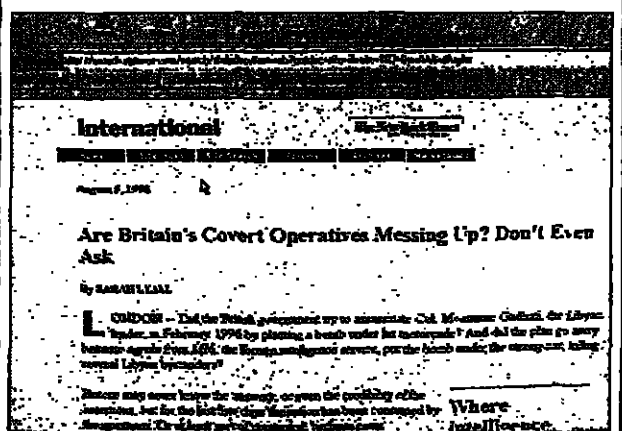
Reporters are hamstringing in two ways, editors said. Because of the Official Secrets Act, it is virtually impossible to get anyone to tell them anything about the inner workings of MI5 or MI6, so they cannot check the veracity of Shayler's allegations. And because of the injunction, they cannot even publish information about his credibility, or lack of it, in any detail.

"If we do, we can be prosecuted," said John Witherow, editor of the Sunday Times. "Or they can go for an injunction, which would force us to stop printing and scrap the newspapers we've printed already."

In addition, the injunction requires that anything the papers print on the subject that comes directly from Shayler must be vetted by the Government, which then decides what the papers can print.

"As a journalist in a free democracy," said Jonathan Holborow of the Mail on Sunday, this censorship "makes me feel pretty sick."

"We haven't had this sort of thing since the war," he said. — *New York Times*



Yesterday's New York Times (below) and the paper's website

## Are Britain's Covert Operatives Messing Up? Don't Even Ask

By SARAH LYALL

**LONDON, Aug. 4** — Did the British Government try to assassinate Col. Muammar Gadhafi, the Libyan leader, in February 1986 by planting a bomb under his motorcade? And did the plan go awry because agents from MI6, the foreign intelligence service, put the bomb under the wrong car, killing several Libyan bystanders?

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Where intelligence agencies fail under a core of silence.

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## Echoes of Spycatcher, the gag that exploded in Thatcher's face

Richard Norton-Taylor

**T**WELVE years ago, the Guardian and the Observer were prevented by a court injunction from disclosing allegations made in Spycatcher, the memoirs of the former MI5 officer, Peter Wright.

The Thatcher government continued to try to gag the British press, even after an Australian court had dismissed its attempt to suppress the book, and after it was published in the US.

There was no attempt to extradite Wright from Australia. He was prosecuted in a civil action for allegedly breaching his duty of confidentiality. The Government is now trying to extradite David Shayler from France and prosecute him in a criminal trial for allegedly breaching the Official Secrets Act.

Nevertheless, there are striking similarities between the two cases. In 1987, after a two-year fight in the English courts, the newspapers went to Strasbourg for a ruling under Article 10 of the European Convention of Human Rights which covers freedom of expression. It is now enshrined in British law under the Human Rights Act.

First, the European Commission of Human Rights announced its ruling: "Freedom of expression constitutes one of the essential foundations of a democratic society, in particular freedom of political and public debate. This is of special importance for the free press which has a legitimate interest in reporting on and drawing the public's attention to deficiencies in the



The former MI5 officer Peter Wright. Attempts to stifle his disclosures bear similarities with the David Shayler case

operation of government services, including possible illegal activities. It is incumbent on the press to impart information and ideas about such matters and the public has a right to receive them.

In a passage particularly pertinent to today, it continued: "It was clear by the time the book [Spycatcher] was published in the USA that confidentiality of information held by Mr Peter Wright had been destroyed... The Commission fails to see a pressing social need to prevent the British public from reading about something the rest of the world was free to read by then."

Finally, in 1991 the European Court of Human Rights declared in equally ringing phrases: "Freedom of expression constitutes one of the essential foundations of a democratic society... it is applicable not only to information or 'ideas' that are favourably received or regarded as inoffensive or as a matter of indifference, but also to those that offend, shock or disturb."

"These principles," the court went on, "are of particular importance as far as the press is concerned. Whilst it must not overstep the bounds set, *inter alia*, in the 'interests of national security' or for 'maintaining the authority of the judiciary', it is nevertheless incumbent on it to impart information and ideas on matters of public interest."

"Not only does the press have the task of imparting such information and ideas. The public also has a right to receive them. Were it otherwise, the press would be unable to play its vital role of 'public watchdog'."



The media has been forced to discuss the allegations concerning Colonel Muammar Gadhafi without saying what they are

## ADVERTISEMENT

## ARAB BANK PLC GIVEN NEW RATING

Senior Debt : assigned AA-  
Short-Term : assigned TBW-1  
Issuer : assigned B

Thomson BankWatch is pleased to announce the assignment of new ratings for Arab Bank PLC. The rating exercise for Arab Bank was indeed unique as the legal structure of the bank is unlike anything previously seen, even when compared to developed markets. While typically it is unusual to split a rating as such, the very nature of Arab Bank necessitates such an action.

Arab Bank PLC can lay claim to one of the longest and decidedly the most distinguished histories of any bank in the Middle East region. The bank's origin pre-dates World War II and has continued on during periods of regional turmoil and strife that would have severely tested and destroyed the resolve of many institutions not just regionally but globally, if similar circumstances were applied. During all of these periods, the bank has not just weathered each crisis, but in every case benefited and emerged even stronger.

Arab Bank can be described in at least two ways. The first way, the bank is clearly a survivor. The second way is that the bank's own name can be a misnomer, especially from risk profile perspective. While the bank is headquartered in Amman Jordan, the overall

country risk profile resembles some of the best banks domiciled in both Western Europe and the United States. The bank brings with it, a long history and a philosophy that its customers are indeed "first and most important". It is this philosophy that has created the bank that exists today and that can lay claim to be a peer bank in the world. This philosophy has also moved Arab Bank into being one of the only true "flight to quality" banks in the Middle East.

Arab Bank is diversified over a broad geography where operations comprising more than 80% of consolidated activities are conducted outside of Jordan. The unique capital structure enables the bank ratings to be considered independent of any sovereign rating for the country in which the Arab Bank is headquartered. Further there are sufficient legal precedents and opinions which indicate that any potential extraterritorial seizure of Arab Bank external assets by local regulatory authorities is highly unlikely and not valid under most if not all legal jurisdictions. Accordingly, as the vast majority of Tier 1 capital, and assets are outside of Jordan thereby

greatly diminishing the element of transfer risk and as a hard currency (US Dollar) is the functional currency for Arab Bank, Thomson BankWatch employs the global ratings scale for the Arab Bank rating. Asset quality is extremely solid given the history of expertise cultivated and applied to lending. Additionally, a conservative level of loan loss reserves is maintained to fully cover non-performing loans. The tenor of the loan portfolio is quite short with 80% scheduled to mature within one year as of YR97. Total loans for Arab Bank typically represent less than 50% of assets. The stability of earnings is enhanced by the conservative asset/liability management as well as lending strategy and geographic diversification. Also supporting the sound financial position is a healthy capital base with the BIS Tier 1 ratio exceeding 12% and shareholders' equity to assets of nearly 9%. Arab Bank is well established and dynamic, as demonstrated in its sound performance and impressive perseverance. Management has planned for any potential disruption in the Arab Region by building capital

in its branches in some of the world's major financial centers. Even in the unlikely event of a regional difficulty affecting more than Jordan, Arab Bank has more than sufficient asset liquidity to repay all foreign currency obligations. As Arab Bank has several sizable subsidiaries, affiliates, and an extensive network of international branches, the bulk of consolidated equity is housed outside of Jordan. Management has coordinated the broad geography of banking operations through the hubs in Amman, London and Geneva. The underlying strategy has been a focus on serving Arab communities worldwide, particularly through trade finance both on and off of the balance sheet. Credit quality is solid, as are loan loss reserves and capital. Management prefers to maintain a high degree of liquidity mainly in conservative inter-bank placements and government securities. Consequently, returns have been modestly lower than those of diversified international banks. Management's successful and well developed strategy provides the foundation for the continued sound expansion of operations.



"I didn't sleep last night. I was at home in bed and it was real dark outside and I could hear these noises out back. I was sure someone was coming for me and I thought maybe that's what the killer did with the others."

Jean, a prostitute, on the recent murders of three of her colleagues

G2 page 4







new lads' Labour attacked

## MPs attack NHS records system

David Hencke  
Westminster Correspondent

**T**HE NHS Executive was condemned by MPs yesterday for buying a hospital computer system which will take 18 years to become fully operational and will cost the taxpayer "many times" the £30 million already spent developing it.

The Commons public accounts committee is scathing about the "serious failings" of the executive in buying the Read Codes patient records system pioneered by Loughborough GP James Read in 1990.

The committee said the innovative system was acquired for £1.5 million by the taxpayer from Dr Read without an independent study and for double the original price.

Dr Read was then put in charge of the project and given exclusive distribution rights to the NHS, creating a "wholly unacceptable" conflict of interest. The report reveals that Dr Read has personally made £227,948 out of the system since 1990.

Eight years after its acquisition, the Read Codes is being tested and used in just 12 NHS hospitals.

Full implementation is expected to take a further five

years and health professionals are divided about whether it will work.

PAC chairman David Davis said: "The Read Codes have so far cost £22 million, and full implementation will cost many times that amount."

"It is wholly unsatisfactory that the NHS Executive allowed management standards in this case to fall so far short of those expected in public life."

Health managers established the Centre for Coding and Classification to develop codes for the NHS. They then appointed Dr Read its first director, giving his company, Computer Aided Systems, exclusive distribution and support rights to the NHS.

The Comptroller and Auditor General had highlighted a number of concerns about the way the centre had been run, including use of inappropriate personnel management practices, failure to invite competitive tenders and the payment of £128,000 in lieu of notice to one individual without negotiation.

In addition, there were inadequate recruitment procedures and "shortcomings" in financial controls, including "double payments to Dr Read for use of a car".

The executive has ordered an independent evaluation of the Read Codes.

## Egg yolks and orange peppers 'best foods for preserving sight'

Sarah Boseley  
Health Correspondent

**I**T MAY not be carrots that make you see in the dark after all, according to research published yesterday. The foods that best preserve eyes from deteriorating with age are egg yolk, maize and orange peppers.

As they age, many people experience the cumulative effects of oxidative damage to the macula, that part of the retina that enables us to differentiate colours. Macular degeneration can lead to impaired eyesight and blindness.

In today's British Journal of Ophthalmology, Frederick van Kuijk of the University of Texas in Galveston describes testing a variety of foods for their antioxidant content. Most helpful to the eyesight

were those containing two antioxidant carotenoid pigments, lutein and zeaxanthin, which make up a substantial part of the macula.

Many doctors advise patients to eat dark green leafy vegetables to safeguard their sight. Dr van Kuijk found that although these were helpful because of high lutein levels, they had a low zeaxanthin content. Egg yolk and corn contained far more zeaxanthin.

The paper disputed the risk to health from the high cholesterol content of eggs, arguing that their benefits to sight outweigh such fears. "The exclusion of eggs from the diet could be reconsidered," says Dr van Kuijk.

Other foods particularly good for the eyes, the paper suggests, are orange peppers, red grapes, pumpkins and courgettes.



Ready heights... Blackpool Tower yesterday opened its Walk of Faith, a glass floor 385ft above ground. The laminated glass by Pilkingtons is 5cm thick and, it is claimed, can bear the weight of five small elephants

PHOTOGRAPH: JOHN GILES

### News in brief

## Prince's scheme for a 'style wars' truce

**T**HE PRINCE of Wales is setting up an architectural foundation and hopes to call a truce in the "style wars" of modern versus traditional.

The Foundation for Architecture and the Urban Environment will occupy a disused fur warehouse in Shoreditch, on the edge of the City of London. It will co-ordinate the work of organisations inspired by the prince but which operate independently. The new set-up is designed to breathe life into the prince's Institute of Architecture, which has had five directors in six years and went through an unsettled period when its glossy magazine, Aspects of Architecture, folded.

## Siege pensioner's arsenal

**A** PENSIONER who barricaded himself inside his home during a five day siege had an arsenal of 26 shotguns and four hunting rifles, police disclosed yesterday.

Officers recovered the weapons — which were all legally held — during a search of the house after the siege ended peacefully on Tuesday. George Andrews, 73, was yesterday in police custody at Kidderminster awaiting questioning. Up to 40 officers were involved in the siege at the pensioner's home in Buttmoak, near Bewdley, Worcestershire, which was sparked by a council tax dispute.

## Driving examiner attacked

**A**N ENRAGED man rained blows on a driving examiner who told him he had failed his test for the third time, a court heard today.

Horace Campbell, 30, punched Peter Outway repeatedly about the head and body. When Mr Outway barricaded himself in an office, Campbell tried to kick the door in. Manchester crown court heard.

Campbell, of Cavanagh Close, Brunswick, Manchester, was jailed for nine months after pleading guilty to assault, affray and criminal damage.

## Student strips naked in court

**A** FINE arts student accused of daubing a Rembrandt self portrait (right) with paint at the National Gallery in London, stripped naked in the dock at Bow Street magistrates court yesterday.

Vincent Michael Bethell, aged 26, a Coventry university student, took off his white coverall, stood up and shouted "society is mentally ill, destroy society, long live humanity".

He was taken out of court. He denied the charge and was remanded in custody in his absence to appear at Horseferry Road magistrates court on August 11.



## Fewer living in care homes

**F**IVE years after it was begun, community care for elderly and disabled people has finally caused the expected fall in the numbers of beds in residential and nursing homes as more people are helped to carry on living on their own.

According to analysts Laing & Buisson, there is a total 562,000 beds in care homes — 1,000 fewer than in 1993, when community care started. Before then, the residential care sector had expanded relentlessly for 30 years.

Under community care, state funding for care services is cash-limited and controlled by local authorities. Previously, help with care home fees was open ended and administered by social security.

Laing & Buisson estimates there are 487,000 elderly and disabled people in care homes, compared to a peak of 512,000 in 1995. — David Brindle

## Safety problem with pools

Gerrard Scenan

**T**HE summer may finally have hit Britain, but those looking to cool off in swimming pools should beware of poor safety standards, according to a report published today.

Dangerous design features, inadequate lifeguard cover and unprofessional behaviour by lifeguards are among problems highlighted in a Which? magazine report on private and public swimming pools.

Two inspectors from the Institute of Sport and Recreation Management were sent by the Consumers' Association to investigate anonymously 29 pools in the North and South of England and in North Wales. The inspectors said they found a number of causes for concern on the day of inspection.

Many pools "failed to meet the guidelines on swimming pool safety," said Helen Parker, editor of Which? "Lifeguard supervision and

lack of signs were particular problem areas.

"Alarmingly, two thirds of the pools inspected failed to provide adequate lifeguard cover. This was either because there was not enough of them, not all areas of the pool were supervised, or the lifeguards were not behaving professionally. Chilling was common."

The inspectors visited the pools during the Easter holidays. Almost all were found to have some problem but four were singled out for particular criticism: Bournemouth International Centre, Sandcastle centre in Blackpool, Nova Centre in Prestatyn and Rhyl Sun Centre.

Michael Jackson of the Royal Lifesaving society, which trains 30,000 lifeguards each year, said problems tended to be confined to smaller pools, hotels and clubs.

Last year, 14 people drowned in public and private pools, and in 1996/97 there were 948 serious accidents in local authority pools.

## Home Office allows casinos out of the shadows to advertise

Alan Travis  
Home Affairs Editor

**C**ASINOS are to be allowed to advertise for the first time under plans announced by the Home Office last night to relax controls of the gaming industry.

The decision finally takes the industry out of the shadows of the world of discreet clubs to which it was relegated in the late 1960s by tough legislation after a series of high profile money scandals in Mayfair.

Since the 1968 Gaming Act, the roulette and blackjack clubs have been banned from listing their addresses in the phone book. Now, in line with the Government's deregulation moves, they will be able to advertise in national and local publications, such as tourist guides, directories, newspapers and magazines.

However, the adverts will not be allowed to promote gambling. Instead the clubs will be restricted to giving their names, logos and addresses, including e-mail, telephone and fax numbers. They will also be able to advertise the number of gaming tables and machines they have on their premises.

Ministers have stopped short of abolishing all the restrictions concerning membership of the clubs. For example, new customers will have to hold a membership card for 24 hours before they can play. But, in future, would-be members will be able to apply by fax or by post rather than in person — a change designed to help tourists apply for membership before their holiday. Members of one casino, however, will however be given immediate access to clubs within the same group.



Easy riders... for most bikers the Bulldog Bash is not for sorting enemies, but for the art of motorcycle maintenance

## Bikers revving up gang war, say police

Stuart Miller

**T**HOUSANDS of motorcycle enthusiasts will gather today at an airfield in Warwickshire amid fears that a feud between two rival gangs could escalate.

Police have warned that the annual Bulldog Bash event at Long Marston, near Stratford-upon-Avon, could see "warfare" between the Hell's Angels (its organisers) and the rival Outcasts gang.

The Outcasts, working with their Midlands-based allies the Outlaws, are suspected of planning to use explosives at the event.

Against the authorities' advice, the All England Chapter of the Hell's Angels has refused to cancel the four-day bash, which, each year, nets the Hell's Angels up to £1 million, and which will probably attract about 40,000 people.

"We are taking the information of a threat very seriously," said a Warwickshire police spokesman. "The police presence is therefore likely to be greater than in previous years." Detectives think the violence could reach the levels seen in Scandinavia, where a two year war between the Hell's Angels and the rival Bandits left seven dead and saw a further 39 attempted killings.

Last month, the National Criminal Intelligence Service (NCIS) warned 37 police forces in England and Wales

### The gangs

**HELL'S ANGELS**  
Colours: Winged death's head wearing a pilot's helmet.  
History: Founded in California in 1948. First British chapter formed in 1969, 14th in April. Motto: Three can keep a secret if two are dead.

**OUTCASTS**  
Colours: Death's head wearing bandana and feathered top hat.  
History: British gang founded in early 1980s. Nine chapters mainly around London and East Anglia. Motto: Better to reign in Hell than serve in Heaven.

**OUTLAWS**  
Colours: Seven feathers representing the founding gangs.  
History: Founded in 1969 after feud between two Midlands gangs. Strength remains in Midlands, with 150 members.

of the possibility of "armed conflict and the use of automatic weapons and explosives" by biker gangs. According to NCIS, gang members are heavily involved in organised criminal activity, including drugs distribution and gun running.

The gangs vigorously deny they are involved in organised crime, and insist they cannot be held responsible for the actions of individuals.

The rivalry between the two gangs has brewed for

more than a decade. Tension has grown in the past two years with the rapid expansion of the Outcasts, now numbering about 200, mostly in London and East Anglia. With 150 members of the Outlaws, in the Midlands, the gang threatens the 30-year supremacy of the Hell's Angels, which has about 230 members in 14 chapters.

Last June, the Outcasts tried to absorb a small Hertfordshire club, the Lost Tribe. To head off the growing threat the Hell's Angels ordered members of the Lost Tribe to become "prospects" or probationary members of the gang. A "turf war" developed between the gangs.

On January 31, two Outcasts, Keith Armstrong and Malcolm St Clair, were fatally stabbed when a 1950s rock and roll party ended in a street battle outside the Battersea arts centre in south London. Two men are awaiting trial. A police search of the area recovered knives, hammers, axes and a cash.

Property owned by the Hell's Angels was then targeted. A police search of the area recovered knives, hammers, axes and a cash.

March 1998: A Kent motorcycle shop owned by members of the Hell's Angels, was the target of an attempted arson attack. Then two Outcasts were shot close to the clubhouse of the Outcast Family

### The feud

**June 1997:** Outcasts attempt to take over Hertfordshire biker club, the Lost Tribe. Hell's Angels order Lost Tribe members to become "prospects".

**November:** Three Outcasts members arrested in possession of loaded shotguns.

**January 1998:** Two Outcasts members stabbed to death outside Rockers Reunion event.

**March:** Hell's Angel clubhouse targeted with crude fertiliser-based bomb.

**April:** Search of Outcasts members' home found Uzi 9mm automatic pistol parts, an AK assault rifle and two sub-machine-guns.

**July:** Magna Carta rally cancelled amid fears of violence.

chapter in east London. Both victims survived but refused to co-operate with the police, in accordance with the gang's code of silence.

The Outcasts have a history of violence. In 1987, nine of its members were convicted of conspiracy to inflict grievous bodily harm on a rival gang. In the feud, one man was shot dead, another scalped with a ceremonial sword, several suffered fractured skulls from axe and hammer blows and others were stabbed.

## Time to admit defeat on sea walls, say MPs

Paul Brown  
Environment Correspondent

**P**ARTS of the British coast at risk of flooding should be abandoned to the sea, a committee of MPs suggested yesterday.

Continuing to build ever higher defences to keep out the rising sea is no longer an option, and retreat to new positions inland should begin immediately, the Commons agriculture committee said yesterday.

People forced to abandon homes are fields for the general good of the community should be compensated by central government, the MPs say.

Those selling any of the 1.3 million properties classified as at risk from flooding should be forced by law to disclose the danger to potential purchasers.

The recommendations delighted environmental groups but angered farmers and landowners.

In a startling introduction to the report, the MPs look forward to a time 200 years hence when the Thames through London is half a mile wide, with large areas of Docklands and even the Palace of Westminster lost to ever higher tides.

Cardiff, Swansea, Bristol, Grimsby, Hull and Manchester face the same fate.

However, while the MPs say this is what will probably happen eventually, the beginning of the process is already observable along the East Coast. If there were no flood defences the annual cost of erosion and damage from flooding would be £2.1 billion.

But the committee says keeping up coastal defences and making them ever stronger is not an option, both because it is too expensive and because it does not work.

Eventually the forces of nature are too strong and defences are destroyed by the sea.

"It is time to declare an end to the centuries old war with the sea and seek a peaceful accommodation with our former enemy," says the report.

"It is better to plan a policy of managed realignment [of the coast] than to suffer the consequences of a deluded belief that we can maintain indefinitely an unbreachable Maginot line of towering sea walls and flood defences."

So-called soft defences where existing structures are removed and the sea allowed to reclaim dry land to a new point further inland are already being experimented with.

But, say the MPs, they should be adopted on a wide scale by the Government, and a proper system of compensation offered for lost assets.

The committee said flooding on rivers and along the coast is made worse by people building on flood plains. Other services not to be ignored by local authorities.

MPs say new powers should be given to the Environment Agency to prevent this happening.

If permission is given, developers should be forced to set aside sufficient money to pay for extra flood defence works both upstream and downstream of the new building to safeguard properties put at greater risk as a result.

Information on the risk of flooding is not sufficient. Title deeds of properties at risk of inundation should be amended to show this clearly, and potential purchasers should be told the risk. Insurance companies would be obliged to inform purchasers of the difficulties they faced.

Commenting on the report, Tony Bailey, policy director for the Country Landowners Association, said there were real opportunities to restore floodplain wet grasslands desperately needed by declining breeding wader birds. It is a sensible way forward and much cheaper to implement than existing policy.



## Congo rebellion

## Senior ally joins rebel cause

**F**IGHTING in the Congo was emerging last night as a well-planned attempt to overthrow President Laurent Kabila, with the rebels producing a leader and the country's foreign minister defecting to their side, writes Alex Duval Smith in Johannesburg.

Speaking in the eastern town of Goma, Arthur Z'Ahidi Ngoma, leader of the Future Party, banned since May by Mr Kabila, said his forces were fighting for "all Congolese" and denied government claims that the rebellion was a Rwandan-Tutsi attempt to colonise former Zaire.

As the government confirmed that the eastern town of Bukavu had fallen to a Tutsi-led dissident faction of the new Congolese army, Mr Kabila's foreign minister, Bizime Karaha, a Tutsi, announced that he had joined the rebels.

"This is a country-wide revolution to topple Kabila. It is spreading like fire," Mr Karaha said from Goma.

It emerged last night that Mr Kabila will join other leaders from the region in Zimbabwe tomorrow for talks on the crisis.

"It is a meeting to seriously analyse the Congo crisis and what the region can do to help," said a Zambian official. Heads of state from Rwanda, Uganda, Zambia, Zimbabwe, Tanzania and Namibia will attend.

The extent of the rebels' advance westward was unclear last night. The government denied reports that fresh fighting had broken out in the country's third largest city, Kisangani, where the airport is believed to be held by rebels.

Nor was it clear who controlled Uvira in South Kivu or Goma, to the north, but the International Red Cross said that it was pulling out of those areas because it had become "impossible to move around".



Congo president Laurent Kabila waves to crowds at celebrations to mark his first anniversary in office in May this year. A coalition of discontented factions now threatens to end his grip on power. PHOTOGRAPH BY DAVID GUTTENFELDER

## Lewinsky set to clear Clinton of urging perjury

Gary Youngs in Washington

**T**HE crisis engulfing Bill Clinton will enter its final stages today as Monica Lewinsky, the former White House intern with whom he is alleged to have had a sexual relationship, testifies before the grand jury.

Ms Lewinsky, aged 25, was granted immunity from prosecution last week in return for her full testimony and is expected to confirm that she did have a relationship with the president and that he encouraged her to keep quiet about it. But she is expected to deny that Mr Clinton urged her to lie under oath.

Last year she denied on oath having a relationship with the president, when she was subpoenaed in the Paula Jones sexual harassment case, which collapsed in April.

She is also expected to shed light on the semi-formal cocktail dress she gave to her mother for safe-keeping. The FBI has completed a DNA test on the dress but has refused to release the results.

The independent prosec-

tor, Kenneth Starr, is believed to be less interested in whether Ms Lewinsky had sex with the president than in whether he is guilty of obstruction of justice in trying to keep it quiet.

Fear of obstruction would help Mr Starr establish a pattern of behaviour stretching back to the Whitewater affair, the failed land deal in Arkansas which is supposed to be the focus of his investigations.

Sources say Mr Starr will be keen to discover precisely how the president might have urged Ms Lewinsky to cover up the affair. A key element in this line of questioning will be the content of her conversations with his private secretary, Betty Currie.

Mr Starr will want to know whether Mr Clinton asked Ms Lewinsky to say she was visiting the White House to see Ms Currie, and whether he asked her to return to his secretary the presents he gave her.

Mr Clinton will put his side of the story on August 17 when he testifies to the grand jury through a video link with his lawyers present. He has made it known, through his spokesman that he in-

tends to stick to his assertion that there was a sexual relationship. Whether he maintains that strategy partly depends on Ms Lewinsky's testimony and the results of the tests on her dress.

Mr Clinton attended to business as usual yesterday, addressing a House Democratic caucus on Capitol Hill, while White House lawyers remained embroiled in a legal tussle with Mr Starr over their right not to testify.

On Tuesday the chief justice, William Rehnquist, insisted that White House lawyers were not protected by client-attorney privilege and would have to testify fully.

One of them, Larry Brewer, went to the grand jury to testify but refused to answer certain questions, forcing a showdown that could lead to further judicial rulings and appeals.

Polls suggest that the US public has reached saturation point on the scandal. Less than 30 per cent are following the investigation closely, according to a poll by the Pew Research Centre. Sixty per cent would forgive Mr Clinton if he admitted an affair and said he lied to protect his family.

## LAPD tags its own label

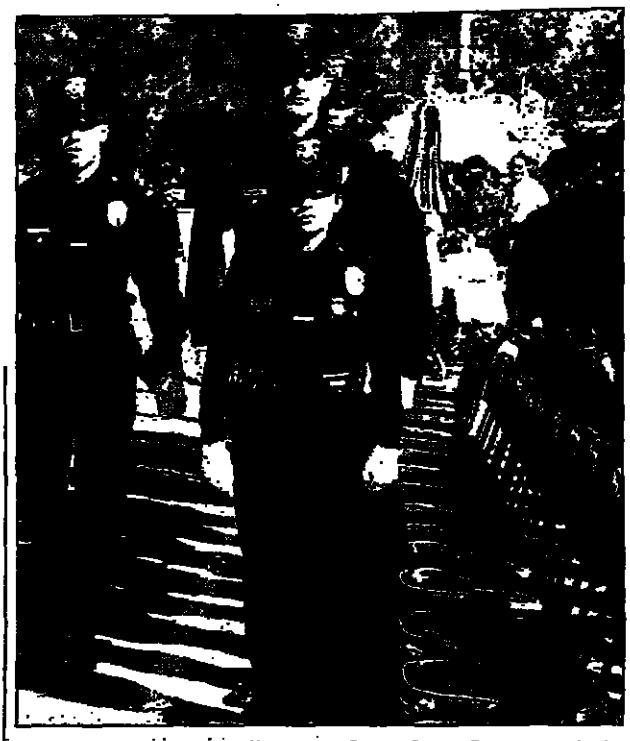
Christopher Reed in Los Angeles

**K**ARL MARX'S theories may not be much appreciated in police forces, but his observation that under capitalism everything eventually becomes a commodity may strike a few chords in the Los Angeles police department: it is registering its initials LAPD as a trademark.

The city's police commission acted because it was concerned about the proliferation of cheap imitations of the force's badge and other symbols, which "create confusion and threaten to dilute the authority of LAPD officers".

Trinkets featuring the unauthorised LAPD include key chains, money clips, coffee mugs, T-shirts, a web site — "lapd.com" — and computer mouse pads depicting last year's televised riot, as one critic put it, "in blue and two bank robbers in north Hollywood".

The LAPD's proximity to Times Square has made it the most famous — to some infamous — police force in the world. But its motto, "To protect and serve" (in the original Spanish: "Para proteger y servir") is not taken as a motto: protecting its



Officers on parade in Los Angeles, whose force wants to control the use of its famous initials. PHOTOGRAPH BY RENA PERAL

commercial rights and serving only the finest of the world of officers severely beating a black man, Rodney King. It mordantly announced: "LAPD — We Treat You Like a King."

Another wry slogan followed the 1969 shoot-out with the Black Panthers in the LAPD's Newton division. The division's nickname, "Shootin' Newton", is one it proudly bears to this day.

The LAPD is guilty of its own tacky promotions. The coroner's office gift shop sells beach towels with the chalked outline of a body and personalised toe-tags.

## US schoolboy barred from girls' hockey team sues

Mark Tran in New York

**A**SCHOOLBOY in Maine in the United States is using sex discrimination laws to try to get on to his school's all-girl hockey team. He has the backing of the Maine Human Rights Commission.

Jeremy Ellis, aged 17, played hockey in Britain and wanted to pursue the sport in Portland, Maine. But the athletics director barred him, citing state rules to promote girls' sports.

With his mother's support, Jeremy filed a sex discrimination complaint with the Maine Human Rights Commission. Two years later, he is still waiting for the result.

The commission first ruled that he should be allowed to join the team. The Maine Principals' Association sued in the state court in Portland to block that action. The Ellis countersued and are still waiting for a trial date.

John Carnes, the staff attorney for the human rights commission, says it is time for another look at sex discrimination laws. "They were introduced a decade ago and some progress has been made. Girls' participation in sports is now equal to boys."

Yet male athletes still outnumber female three to two, according to the National Federation of State High School Associations.

Christine Grant, head of the women's athletic department at the University of Iowa, said: "The scale is still so much tipped in favour of men that it is well nigh impossible for them to win any legal challenges."

## News in brief

## Deal reached over East Timor talks

PORTUGAL and Indonesia agreed yesterday to discuss granting autonomy to the troubled province of East Timor and involve East Timor activists in the talks to a greater extent, the two countries' foreign ministers said.

The agreements, announced after two days of talks brokered by the UN secretary-general, Kofi Annan, were concessions. Portugal, the province's colonial ruler until 1976, had previously backed nothing short of self-determination for East Timor; Indonesia had insisted that it should remain the only conduit to East Timorese leaders. Mr Annan said he would seek input from East Timorese leaders, including the Nobel peace laureate José Ramos Horta. — AP, New York

## Kashmir death toll rises

EXCHANGES of artillery fire continued along the disputed Kashmir border yesterday as the death toll from seven days of clashes between Indian and Pakistani troops topped 100. Both sides reported more deaths. Artillery attacks were reported from several sectors of the Himalayan region, but their intensity had lessened, Indian defence officials said. — Reuters, Srinagar

## Affront to Filipina maids

THE Philippines has protested to Athens after a Greek dictionary defined "Filipina" as "housemaid". The Philippine ambassador, Norberto Basilio, said the description was "an affront to the dignity" of Philippine women. The Philippines has more than a million nationals working overseas, whom Manila has called "heroes" for helping to prop up the economy. — Reuters, Manila

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## Kabila looks weaker by the day as mistakes all come home to roost

Lack of nous and abuse of office have left the embattled leader with few friends in his time of need, writes Alex Duval Smith

**F**IFTEEN months after he ended Mobutu Sese Seko's 32-year reign of greed, the Congolese president, Laurent Kabila, is emerging as a failed puppet emperor, at sea in central African power-broking and reduced to nepotism and corruption.

He looks weaker by the day as an uncohesive but powerful alliance — disenchanted Congolese Tutsis, Rwandans, and possibly also Ugandans and Mobutists — increases its stranglehold on former Zaire.

Dissidents, many of whom he has exiled, claim that the crisis is of his own making. "As he has descended into corruption and nepotism, he has left himself with only the tribal card to play," said Guillaume Ngefa, the Swiss-based president of the Congolese human rights group Asadho: Association Africaine pour les Droits de l'Homme.

Brought to power in May last year by a revolt of Banyamulenge Tutsis from the east of the country supported by Rwanda, Uganda and Angola, Mr Kabila has disappointed his erstwhile allies.

He has not granted the special status demanded by the Banyamulenge, who are Tutsis of Rwandan origin,

and who were repressed for years by the Mobutu regime. Rwandan troops have come to their aid.

Uganda, which has to contend with a rebellion of its own by guerrillas based in Congo's North Kivu region, is disappointed that Mr Kabila has not brought the region under control. But Kampala has not sent any troops yet.

Neither has the Angolan president, Eduardo dos Santos, who is also preoccupied with fighting at home. President Dos Santos has good reason to consider Mr Kabila a traitor. It was his army which secured Mr Kabila's entry into the Congolese capital, Kinshasa, last year. Since April, just as it did in the Mobutu years, the Angolan rebel movement Unita has been receiving supplies through Kinshasa.

Not only has Mr Kabila shown himself unworthy of regional support, he has also alienated many in Congo. According to dissidents, the war chest he raised from Zairean companies and foreign investors, including Lebanese, Colombian, Israeli and United States and Canadian mining companies, was plundered by his regime.

The agency of ill-gotten

gains — set up ostensibly to investigate corruption by Mobutu's regime — collapsed amid allegations that its staff were extorting those it investigated in return for immunity from prosecution.

Mr Kabila is also accused by émigrés of using regional summit meetings to export large sums of money by air. Last year he hired a Geneva-based advertising agency, Tri-media, to handle his international public relations, bypassing the Congo's own embassy.

Mr Kabila became convinced, with good reason, that Tutsis backed by Rwanda were plotting a coup, and he returned early from a state visit to Cuba last week. He sacked a number of Tutsis in his government and ordered all foreign troops to leave the country.

This followed the sacking of other Tutsis, who have been replaced by members of Mr Kabila's Katanga clan. His interior minister, Gaetan Kakudji, and his justice minister, Mwenze Kongo, are both his cousins. His son, Joseph, is deputy chief of army staff, and the justice minister, Mwenze Kongo, his nephew.

The head of the national police force, the chief of the armed forces, the governor of the central bank, his ambassador-at-large and all new members of the presidential guard are from the southern Katanga region, which was formerly known as Shaba.

Mr Ngefa said: "He claims to be rooting out 'Mobutists' but in fact, he has started targeting anyone who is not from Katanga."

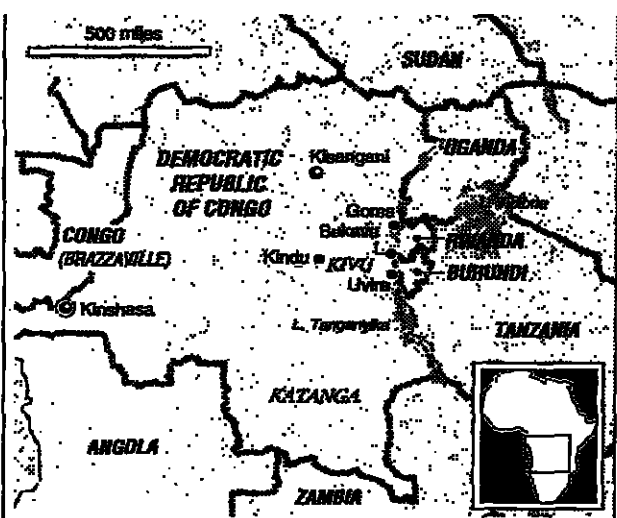
Those who have been jailed or forced to flee the country include almost all human rights activists, many opposition figures and a number of journalists.

In the last few days high-ranking officials have left, too. The presidential affairs minister, Desgratias Bugera, has sought asylum in South Africa and Mr Kabila's chief aide during the battles against Mobutu, Moïse Nyanzobu, has fled.

Scattered about Africa and Europe are highly influential and very rich Mobutists who are believed by dissidents to be either funding the rebellion or prepared to do so, in an attempt to consolidate their continuing interests in the former Zaire. They were briefly the targets of the discredited agency for ill-gotten gains.

But Mr Ngefa argues that despite Mr Kabila's patent mismanagement of Congo, his human rights organisation and others who oppose the guerrilla-president have no option but to call for talks.

He said: "If we are to avoid another civil war and months of massacres, we have to back a national conference of all the parties. President Kabila can no longer run the country but we have to allow him to remain a temporary linchpin around which talks can proceed."



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## Hun Sen victory fails to silence critics

Nick Cunningham-Bruce in Phnom Penh

**O**PPPOSITION parties attacked the announcement of a preliminary result in Cambodia's general election yesterday, giving victory to the ruling party of the second prime minister, Hun Sen, on the grounds that complaints of irregularities had not been dealt with.

After a series of delays and mounting controversy, the National Election Committee said Mr Hun Sen's Cambodian People's Party (CPP) had won 41 per cent of the vote

against 32 per cent for Funcinpec, the party led by the deposed former first prime minister Prince Norodom Ranariddh and 14 per cent for populist former finance minister Sam Rainsy's party.

If the result is upheld, the CPP will take 64 seats in the 123-seat national assembly. Funcinpec 43 and the Sam Rainsy Party 15.

The announcement was delayed by opposition allegations of fraud and demands for recounts. With these still unresolved, opposition parties queried how the NEC could announce any results. "A lot of parties have com-

plained about irregularities and we want justice," a Funcinpec official said, while Mr Rainsy's party was "very suspicious".

Foreign observers pronounced the election broadly free and fair but failed to convince Cambodians. Many question how a leader as unpopular as Mr Hun Sen has been since his bloody coup 13 months ago could credibly claim to have won more of the popular vote.

Yesterday's result came as rifts between NEC directors over recounting votes helped to reinforce opposition suspicion of the integrity of the

election machinery set up and dominated by the CPP.

A change to the formula for distributing assembly seats has also been criticised. Without it, opposition parties would jointly hold a majority, but with it the CPP has the majority.

Even then it will be shy of the two-thirds majority needed to rule on its own. Mr Hun Sen said a coalition with Funcinpec, whom he drove out in the coup, was now "inevitable" and he has also proposed bringing in Mr Rainsy.

However, he insisted that the CPP controls three of the five deputy premierships and

the ministries of defence, interior, justice, foreign affairs and finance.

In what may be simply a bargaining tactic, opposition parties have threatened to boycott, and therefore paralyse, the new assembly. Mr Hun Sen said that if they do, he will change the constitution to reduce the majority needed to pass legislation, and then go it alone.

"This is Hun Sen's moment of truth," said a well-placed Cambodian source. "The election and foreign support for it have given him another chance. If he fails he may not get another."

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Right, Jean Cardot with his sculpture of Churchill, a bronze cast of which will be unveiled in Paris by the Queen in November. Above, the De Gaulle statue unveiled in London in 1993. PHOTOGRAPH BY MICHEL GRIESMARTIN KEENE

## Paris finally honours the 'old bandit'

Jon Henley in Paris

FIFTY-FOUR years to the day after Winston Churchill stamped down the Champs-Élysées to a rapturous reception from the newly liberated people of Paris, the French capital will unveil a statue in his honour.

The British embassy announced yesterday that the Queen will be in Paris on November 11 for the Armistice Day anniversary celebrations and will unveil the memorial — a 10ft bronze by the French sculptor Jean Cardot.

It marks the end of a five-year campaign by an Anglo-French businessman, Brian Reeve. He was determined to see a memorial to Britain's irascible wartime leader erected in Paris, to match one in London of his equally fiery French counterpart, Charles de Gaulle.

"It was an idea I've had for a very, very long time," Mr Reeve said yesterday. "I was born in London in 1936, lived through the Blitz and have memories of Churchill on the

streets of London. But when I moved to Paris in 1961, there was nothing to commemorate him but a small avenue."

Both capitals have been slow to honour each other's wartime heroes — perhaps reflecting the less than smooth relations between the two men. Stubborn and arrogant, Churchill and De Gaulle rarely saw eye-to-eye, the British prime minister once referring to the future French president as "the heaviest cross I ever had to bear."

For his part, De Gaulle, on seeing the Parisian crowds cheering Churchill on the Champs-Élysées in 1944, was heard to mutter: "Fools and cretins! Look at this rabble cheering the old bandit!"

Mr Reeve formed his Association for a Statue of Winston Churchill in Paris shortly after the Queen Mother unveiled a monument to De Gaulle outside the wartime headquarters of his Free French movement in Carlton Gardens in 1993. Fundraising for the De Gaulle statue was led by Churchill's daughter, Lady Soames. President Jacques Chirac



backed Mr Reeve's idea, forming a committee of honour headed by Pierre Messmer, a former prime minister. But it was not until a national appeal was launched in December with the help of the mayor of Paris, Jean Tiberi, that donations started to flow. "It has been a little slow," Mr Reeve admitted. "But we're doing great now — we still need another £25,000, but out of a total of £200,000 I don't think that's bad."

Some 1,650 French people have contributed, Mr Reeve said, with donations ranging from £2 to £20,000.

"People have written to encourage us, recounting their wartime memories and expressing tremendous gratitude for what Churchill meant to France."

The statue portrays Churchill in characteristically robust pose — it was drawn from photographs and film footage of him in the Champs-Élysées

in Royal Air Force uniform, came in hand, on Armistice Day 1944. Now in its final wax version, it will be cast in early next month and erected on November 8, on the corner of Cours de la Reine and Avenue Winston Churchill in the city's 8th arrondissement.

"It's a wonderful, dynamic image," Mr Reeve said. "It's like he's walking down the avenue the way the Germans did five years previously, but now he's thinking. It's ours."

## Saddam's game of cat and mouse fails to throw UN off scent

Detective work has built up a picture of Iraq's remaining weapons, writes **Julian Borger**

DURING the seven years that the United Nations Special Commission (Unscom) inspectors have sniffed and sifted their way across Iraq, they have grown weary of Baghdad's attempted deceit.

Crucial documents have apparently disappeared in mysterious fires, or fallen off lorries. Last December inspectors were halted for 20 minutes and forced to look on from afar as computer hard-disk drives thought to contain information on Iraq's weapons of mass destruction were replaced.

Terence Taylor, a former inspector and now a strategic analyst, said: "I think its extraordinary that Unscam has found as much as it has, given the routine deception... The Iraqis will never admit to anything. You have to find it yourself."

Much of the available information has been wheedled out by detective work, such as analysing records of Iraq's imports of chemical and biological precursors in the 1980s. But arguably the most important breakthrough came in August 1995 with the defection to Jordan of Saddam Hussein's son-in-law, Lieutenant-General Hussein Kamel, defects with details of biological weapons programme.

June 96: Unscam blows up main biological weapons plant at Al-Hakam.

June 96: Iraq admits manufacturing 3.9 tons of VX nerve agent "for research" but claims to be unable to "weaponise" it.

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claimed not to have found a way of "weaponising" its unstable ingredients.

The present crisis began soon after United States navy tests found traces of VX on fragments of Scud missiles which had earlier been destroyed and buried by the Iraqi army. Baghdad disputed the tests and called for a second examination in France and Switzerland — which it considers neutral.

The results are not due until late this month. If they confirm the US findings, Iraq's credibility will plummet before the international sanctions come up for their six-monthly review in October.

At the latest meeting in Baghdad with the Unscam chairman, Richard Butler, Iraq was also due to have handed over a document listing chemical warfare munitions held by its air force. Unscam inspectors found the

document on July 18 but were prevented from taking it.

A second Iraqi tactic also backfired earlier this year. The government had called for independent experts to assess Iraq's progress. In February the expert panel on chemical warfare reported that Iraq had the means to manufacture up to 200 tons of VX nerve agent. Unscam has no proof of the government's claim to have destroyed 500 tonnes of VX chemical ingredients or precursors.

More than 13,000 tonnes of chemical precursors essential for other weapons manufacture are also unaccounted for, as are at least 45 special missile warheads containing sarin toxin and binary chemical weapons, which Baghdad claims to have destroyed.

Unscam says there are similarly large gaps in Baghdad's account of its biological weapons programme. The government has admitted producing and weapons-testing anthrax, botulinum toxin, aflatoxin, and gangrene enough to wipe out cities.

But Unscam inspectors uncovered import records for nearly 40 tonnes of "growth media" (a jelly of nutrients used to cultivate bacteria), suggesting a biological weapons project on a far larger scale. The quantities were far greater than needed for ordinary hospital use, as Iraq claims. Baghdad has insisted that it has destroyed all remnants of its biological weapons programme.

Mr Taylor said: "It has been a web of lies and deceit for seven years, and when things get too troublesome it's throw the inspectors out. They see no chance of getting sanctions lifted, so they create a crisis."



Richard Butler: Head of UN team used to deception

### Diary of deceit

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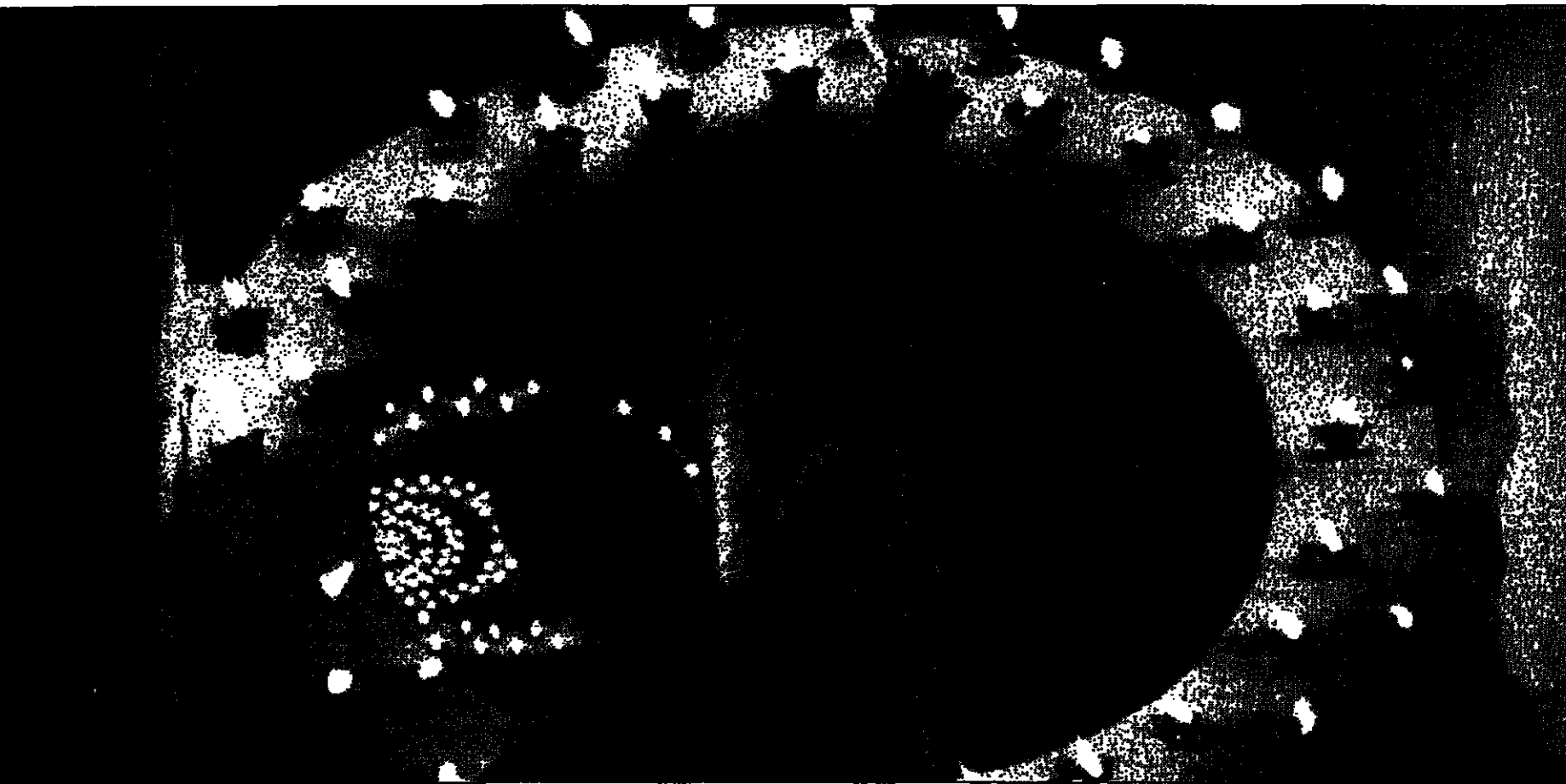
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Oil lamps are lit in Somma Vesuviana at the foot of Italy's Vesuvius volcano as part of the a local festival. Celebrated every four years, the festival is dedicated to the dead, whose souls, according to lore, are guided back to earth by the lamps glow. The festival was originally pagan but was incorporated by the Catholic Church. PHOTOGRAPH: MARIO LAFORTA

## Kohl claws back towards fifth term

Denis Staunton in Berlin

GERMANY'S embattled chancellor, Helmut Kohl, seemed poised for a dramatic comeback in next month's federal election yesterday as an opinion poll showed his Christian Democrats (CDU) closing on the opposition Social Democrats (SPD).

As SPD leaders warned that victory could yet slip from their grasp, some activists blamed the party's slick, New Labour-style campaign for their falling support.

A poll by the Emnid institute showed the SPD share of the vote falling to 40 per cent as the CDU share rose to 37 per cent, leaving the narrowest gap between the parties since February.

The SPD campaign strategist, Bobo Honbach, warned that the party could lose the election because of over-confidence and writing off Mr Kohl too soon.

"The present situation carries risks for the SPD. If the impression is given that Kohl is no longer a threat, that could be dangerous," he said.

The SPD campaign recalls Labour's strategy in Britain last year: news management is being used to influence the media agenda and focus groups are helping to fine-tune policy positions. The party has even produced a laminated card listing the election pledges of their leader, Gerhard Schröder.

The strategy was successful at first, the SPD rising steadily in the polls as Mr Kohl appeared to flounder. But the Social Democrats' poll ratings have fallen continuously since May and the country's economic recovery seems likely to pay dividends for the chancellor.

"Many voters are still undecided. Many of these belong to the CDU camp. The SPD has probably exploited its potential voting group to the full," Richard Hühner of the Infra-test polling group said.

Mr Schröder, who was in Washington yesterday to meet President Clinton, is unlikely to abandon his Blairite

strategy. But, as Britain's economy enters troubled waters, he has distanced himself from Tony Blair.

Before he left for Washington, Mr Schröder was at pains to point out that although he shared Mr Blair's commitment to the "Third Way", he would govern differently.

"Mr Blair has to extend the education system beyond the top 10,000 and create a health service that deserves the name. We have entirely different problems; we have to dismantle bureaucracy," he said.

The chancellor, who is on holiday in Austria, said on television that he was "very certain" that his centre-right coalition would be returned for a record fifth term September 27. He predicted that unemployment would fall below 4 million by the autumn and defended his management of the economy, despite the huge public debt.

"Our public debt is the cost of reunification," he said, adding that foreign observers understood this better than many Germans.

The outcome of the election could depend on the performance of the smaller parties, especially the environmentalist Greens and Mr Kohl's allies in the Liberal Free Democrats (FDP). The Emnid poll put support for both parties at 6 per cent, just above the minimum needed to win seats in parliament.

Many analysts are predicting a grand coalition of Christian Democrats and Social Democrats, but Mr Kohl has not taken part in any such arrangement.

Mr Schröder has not ruled out governing with the CDU, but in an interview in today's issue of the weekly newspaper Die Zeit he identified the defence minister, Volker Rühe, as his favoured partner rather than Wolfgang Schäuble, Mr Kohl's supposed heir.

Mr Schröder ruled out forming a government with the support of the ex-communist Party of Democratic Socialism (PDS) but insisted that his reasons were pragmatic rather than ideological.

## Kosovo team fail to find mass graves

Jonathan Steele

EUROPEAN Union observers found no evidence of the mass graves reported in the Kosovo town of Oraovac, the team's Austrian leader, Walter Ebenberger, said yesterday.

The team visited Oraovac after Swedish and Austrian newspapers reported eyewitness accounts of bodies being dumped there shortly after the Serbs regained control of the town two weeks ago.

"We have been out with one of our field teams," Mr Ebenberger said. "There are allegedly single graves with names (on them) but no mass graves."

A Reuters Television crew said they were shown a freshly ploughed patch of

earth, covered with rubbish, at the edge of a Muslim cemetery where there was a strong smell of decaying bodies.

At the same site a Washington Post reporter, Jeffrey Smith, counted 12 thin wooden sticks with the markings "NN" carved with a knife, denoting to Serbian speakers that the identity of the bodies was unknown.

Farther down the path five more large areas had been excavated, each marked by a series of 21 larger wooden signs bearing a four-digit number and the name of a dead person.

"The presence of at least 33 fresh graves in Oraovac, reportedly dug on July 30, is not startling by itself," Mr Smith reported. "Serbian authorities have said 60 people died during three days of

A news photographer takes pictures of markings on fresh graves in the town of Oraovac. Despite reports of bodies being dumped there after the Serbs regained control of the town, an EU mission found no evidence of mass graves. PHOTOGRAPH: SRDJAN LUC



fighting between Serbs and ethnic Albanians in and around the city, beginning July 17, that ended with Serbian forces overrunning the city."

Oraovac, 30 miles southwest of Kosovo's capital Pri-

tina, was the scene of fierce battles between Serb forces and the Kosovo Liberation Army, which is fighting for independence from Serb rule.

The number of victims is unclear because journalists, aid workers and diplomatic

observers were barred from the town for several days after the battle ended.

Hundreds of people — virtually the town's entire Albanian population — fled in disarray, making it hard for survivors to be sure whether

missing relatives were dead or alive. The Committee for the Protection of Human Rights in Pristina claimed that 60 civilians died in the fighting.

Veton Surroi, a prominent ethnic Albanian politician who visited the site on Tuesday, said that as many as 200 Albanians were killed, most of them in a mosque where they had taken refuge.

A report in the Austrian daily Die Presse claimed yesterday that fresh graves contained the bodies of more than 500 people, including children. Serbia's deputy information minister, Radmila Visic, denied the report.

A Serb official said police had buried "a number of bodies" in the Oraovac area when they were not claimed for more than a week.

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## Diary

Simon Bowers

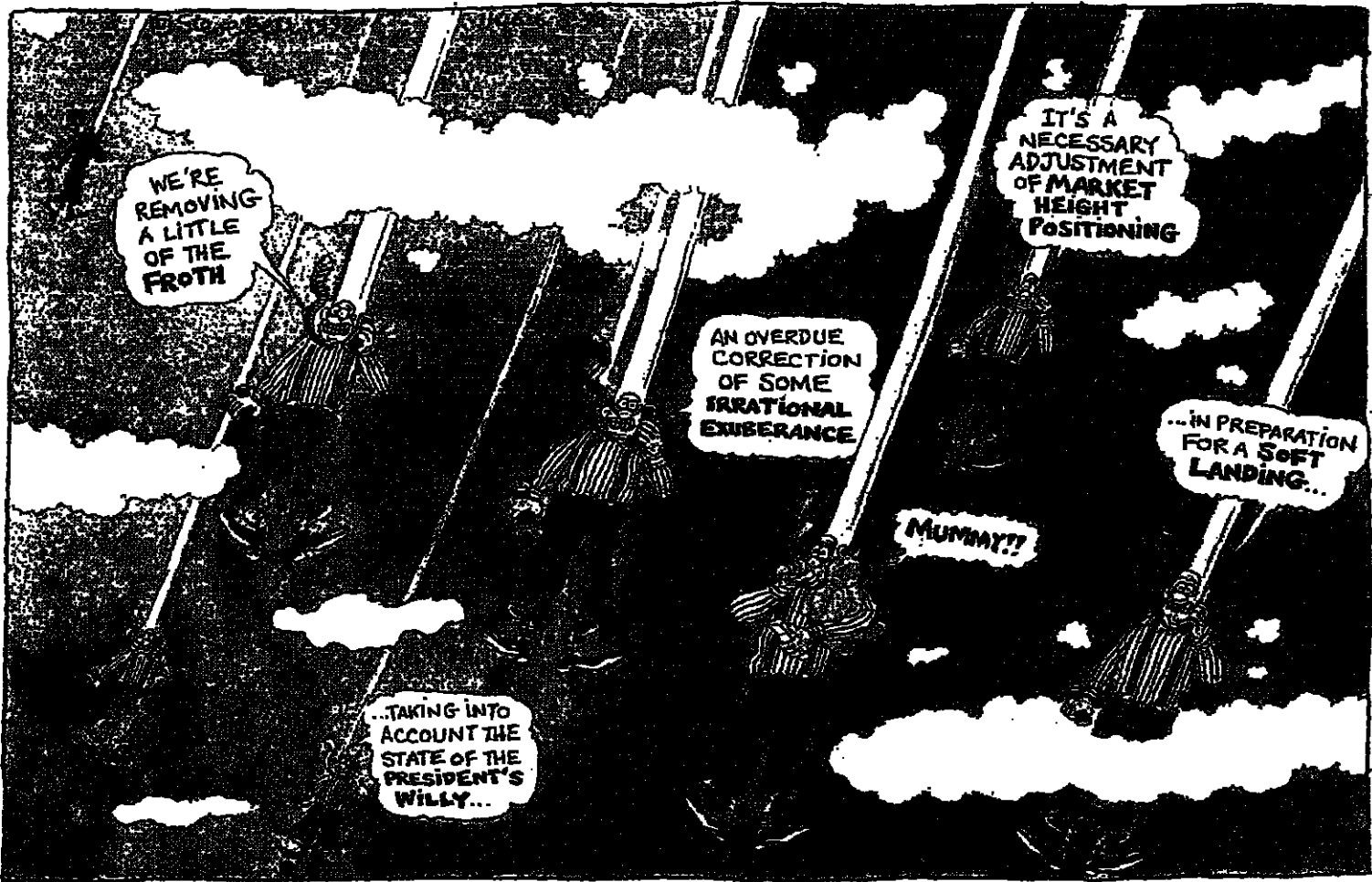
**F**OLLOWING yesterday's thrilling report that senior Government whip and vice-chamberlain to Her Majesty's Household, Graham Allen, is using his ceremonial wand of state to switch television channels in the 'whips' room after the loss of their remote control, we have more news of channel-surfing in the corridors of power. It concerns the internal television network enjoyed by the Ministry of Defence in Whitehall which carries a variety of stations and live coverage of the Commons and the Lords. Rumours of occasional classified broadcasts are officially denied, but no other explanation is proffered for a bizarre channel-changing ritual — mandarins and ministers alike must phone an official controller in the basement who switches the relevant television to the station requested. After recent allegations of more than 170,000 pornographic images downloaded from the Internet at the MoD's hi-tech R&D arm, DERA, seditions rumours abound as to the nature of these nonexistent secret broadcasts. We call the MoD and invite them to dismiss talk of porn. "Random?" exclaims the press officer. "No. You have to subscribe to those channels, don't you? And that only goes on at night. Erm, people do stay overnight, but they'll only get to watch snuff if they've subscribed to it."

**H**OT on the tail of media excitement over the increasing numbers of an aggressive variety of wasp (Dolichovespula media) in Britain this summer, the Independent has news of a further wasp scare. "The British ladybird is being wiped out by a tiny parasitic wasp," reports their science editor, Irene Geoghegan of the Scottish Crops Research Institute in Dundee. The paper: "The interaction of this wasp with its host is truly gruesome. The wasp locates a ladybird and lays a single egg inside it. . . . By the time the ladybird dies of starvation, the wasp has hatched from its cocoon and it's immediately ready to seek out ladybirds for its own eggs." This is all very interesting, Irene, but you're skirting the news-worthy issue here. We call and put it to her straight: are these nasty wasps European? "No, they're native here since the early 1800s." So we can't link this with a loss of sovereignty to Europe? "Er, no. They're endemic to Britain."

**W**ITH question marks over the sanity of Sunday Telegraph editor Dominic Lawson crased (in Monday's Guardian) the Diary is considering taking the paper once more. We are particularly keen on a 40p discount offer, available on answering the following: "What is the capital of Morocco: is it a) Paris b) New York or c) Marrakesh?"

**D**IARY favourite Alastair Campbell has had a tough time this week. First the embittered Frank Field's remarks about spin doctoring on Radio 2's Jimmy Young Show and then yesterday's controversy over the publication of the public administration committee's report on spin doctoring — both of which have been seen by some to reflect unfavourably on Alastair. Wisely he has taken a holiday. We call Downing Street to ask if he has returned to his favoured summer retreat, the Riviera. "His holiday plans are a matter for him," says a press officer. "I really can't see how they are of public interest." All's old friend Mme Rinaudo of Nice proves more forthcoming, and confirms a booking for R Giggolo at her "Hotel" — or as Ali once lovingly described it for Forum magazine, her "high class human communication centre."

**S**TEPHEN Billingham of Wycombe has received a letter from his local Tory MP, Ray Whitney. It asks supporters to sell raffle tickets on behalf of the local party. "After the general election," writes Ray, "some Conservatives wondered whether there was a future for our party at all. I don't believe anyone has any doubt today." Stephen is a Lib Dem councillor.



## Faced with Labour's lads, I feel like a lover who has been abandoned

Helen Wilkinson



**I**HAVE a confession to make. I am an archetypal new Labourite, as surely as I am one of Thatcher's children. Like many working class kids of my generation, I benefited from access to a university education. I bought into middle class values and aspirations for success and achievement.

New Labour appealed because it celebrated upward mobility. It spoke to me as a woman in a way that old Labour, steeped in macho labourist culture, could not. I have never doubted the modernisation process that gave birth to new Labour. I have never agonised over whether in pursuit of power, the party was jettisoning its principles and selling itself short.

That is, until now. Less than two years into the Government's first term, I feel uneasy. I feel like a lover who has been abandoned and who fears she is about to discover a betrayal, and I find myself recoiling and seeking solace in the arms of the only other Labour I know.

I cannot pinpoint precisely when my journey away from new Labour began. But my recent visit to Britain after a 10-month sabbatical in America certainly focused the mind. Derek Draper was on the front page of the Observer. As the story unfolded in the newspapers the photo images focused on the boys (yes, all boys) surrounding new Labour. New Labour women have been noticeably absent from this scandal. Where it really counts lobbying, policy wonkery and spin mastery power remains firmly in male hands. Indeed, for all the talk of the feminisation of the economy, politics and lobbying remain male industries... and, as Draper

revealed, this is where the new establishment boys like to play.

Blair's internal coterie is predominantly male, as is Brown's. There are only two women in the Downing Street Policy Unit. The football imagery of Labour coming home played out during the 1996 European championship should have been a portent. The sporting metaphors have continued. Blair is photographed enjoying a beer and playing football with Lionel Jospin, and it is said that the Prime Minister likes nothing more after an afternoon's policy brainstorming at Chequers than to unwind by playing football with his bright young things.

The Downing Street Policy Unit, it is said, regularly plays five-a-side with other new generation acolytes such as Ben Wegg-Prosser, Peter Mandelson's aide. This "new lad" culture seems harmless enough, and is justified in the interests of team bonding. The problem is that "team bonding" too readily turns into male bonding. The old boys' network may have progressed from golf to football but the fundamental rules are the same.

The men remain in charge with old Labour's macho labourist culture replaced by a subtler, covert and insidious laddishness, all the more alienating for being steeped in predominantly middle class values.

As a teenager, I felt alienated by an Old Labour political culture that did not know how to deal with women. Now I feel an outsider in a new Labour which parades rootless, individualistic, brash and boastful boys.

The political game has become a breeding programme and control freaks, and addictive

personalities. Politics itself can become like a drug, the media or money providing the quick fix. It's notable that control freaks and addicts of some description gather around new Labour's inner coterie (Alastair Campbell is a former alcoholic turned media addict, Gordon Brown a self-confessed workaholic, Derek Draper a media and political addict). There are signs that this addictive culture has already begun to take hold in the heart of new Labour.

The boys enjoy unprecedented personal power and influence, whether they are insiders (like Campbell) or outsiders (like Draper). Egotism, brash and boastful, they are scornful of mere politicians and parliamentarians (even the party itself), since they momentarily cast aside their cynicism to believe their own media-spin rhetoric that it is they who have created new Labour and they who can derive power, status, and even money, in controlling access to the 17 people who "count".

**T**HIS love of power, this fixation on control, is very Thatcherite (and many of the new Labour acolytes are Thatcher's children). But it is new Labour's greatest weakness. Because taken to its extreme, politics laddishness, all the more alienating for being steeped in predominantly middle class values.

The corrosive effects of this culture are becoming self-evident. Moving in new Labour circles, it is not uncommon to hear the spin-masters arrogantly dismissing criticism of the Government as personal rather than political, the product of bitter resentments because certain individuals have been cut out of "the loop".

At its worst, new Labour comes dangerously close to inhabiting a world where politics becomes the manipulation of news copy, where the medium has become the message.

The hierarchy's flirtation with celebrity culture, combined with its media addiction, already blurs the boundaries between politics as an art-form and real life.

One could argue that the cancer that threatens to eat away at the heart of new Labour is the love of power, and control for its own sake. This love of power could become, as it did for Margaret Thatcher, new Labour's Achilles heel.

Helen Wilkinson co-founded the think-tank Demos. This is extracted from her full article which is to appear in this week's New Statesman.

This line of reasoning not only assumes that the raison d'être of outsiders is to wait patiently like Pavlov's dog to be given access to the inner circle, it also assumes that many such outsiders can and will be bought off by patronage.

The reality is that insiders and outsiders exist in a state of interdependence. Insiders depend on outsiders to act as a check against human fallibility to keep them connected and informed; insiders teach outsiders the virtues of pragmatism and compromise.

If the key players around new Labour were able to recognise this mutual dependence, they would renounce not just their addiction to control, their perfectionism; they would also be recognising that they do not have all the answers. They would be showing a willingness to engage in dialogue beyond the inner circle.

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## It is a coup to get Gus

Roy Hattersley



**W**HAT, the uninitiated may well ask, is all the fuss about? The appointment of Gus Macdonald as industry minister for Scotland is, on any objective judgment, a coup — not for Lord Macdonald, as he will soon become, but for the Government which is lucky to secure his services.

Romantics will rejoice at the elevation of a character straight out of Samuel Smiles' *Self Help* — though not even George Stephenson, the principle object of Smiles' admiration, rose from a Glasgow shipyard to a peerage and a seat on the government front bench in the House of Lords.

More prosaic observers will simply believe that the Scottish economy has much to gain from his experience.

The predictable critics behaved predictably. They included passed-over Labour back-benchers, headline-grabbing Scottish Nationalists and Opposition spokesmen who, having no policy position to argue, have to deal in unconsidered trifles. But a number of reasonable commentators have augmented the unreasonable objections.

They have written about his appointment as if the Government was doing Macdonald a favour by allowing him to become a minister. From the little I know of him, I would gamble that he will enjoy the job. But I doubt if he will be looking for it, or the peerage.

The accusation of "cronyism" is clearly absurd. Cronyism is when a Prime Minister does favours for his friends, elevating them to positions which their talents do not justify. It is not cronyism when the chairman of a great media group gives up his salary and sells his shares in order to sweat around the world trying to persuade Japanese electronic companies to relocate on the Clyde. It is "public service". That phrase may have been deleted from the Tory Party's lexicon. But that does not mean why sensible columnists have joined the chorus of disapproval.

**L**ORDS Woolton, Mills, Chalkfont and Foot — each with talents to offer — were parachuted into Whitehall with nothing like the same hostility. Fortunately, for them the governments they joined had not already been tarred with the cronyism brush. And their elevations were not announced with a total disregard for the way in which the news would be received. If Macdonald had been part of last week's reshuffle ("to be effective as soon as his Scottish Media Group shares are sold") his

appointment would have been treated as a triumph. Donald Dewar, on Tuesday morning radio, recovered some ground with the essential but slightly unconstitutional revelation that Macdonald was his nominee. But it was the counter attack of a retreating government.

Clearly, the Number 10 press office is not half as competent as the myth-makers pretend. It is accident prone because it is arrogant and believes that intimidation is a substitute for information. In opposition, brutality was enough. In government, something more constructive is needed. Virtually every mistake that this government has made — from Bernie Ecclestone's million pounds to the abolition of the single parent supplement — has been compounded by media mismanagement.

All you need to know about the shortcomings of the Downing Street press office is encapsulated in the row about Alastair Campbell controlling Cabinet Ministers' television appearances. Forgive the boast, but I have been kept off Panorama by Sir Trevor Lloyd-Hughes, Mr Joe Haines and Sir Thomas MacCaig. They exercised their right to the authority of a letter which began, "I have been instructed by the Prime Minister, maintaining the courteous notion that they carried a message rather than issued an instruction. If this facility had been employed last year, a great deal of resentment would have been avoided."

Long, long ago, Bill Moyers — press secretary to Lyndon Johnson — told me that once the spokesman becomes a personality, the person for whom he speaks is in trouble. For the Prime Minister and the Government, that is only part of the media problem. The press office is dangerously short of friends. Each day it has to deal

### It is not cronyism to give up your salary like this. It is public service

with journalists it has humiliated. The men and women who have been rubbed and ridiculed do not forget. As soon as there is a chance, they settle old scores.

Poor Gus Macdonald has been caught in the alpine stream. Much of what has been said and written about him has no relationship to either his suitability for the job or the propriety of him taking it. But the way in which the Government does its business is increasingly resented, even when the decisions are desirable, or even admirable in themselves. No doubt his training in the shipyard (not to mention the bedroom) has toughened his skin and he will battle on despite the insipidous beginning. But the publicity surrounding his appointment confirms a gloomy truth. Those of us who thought that the Downing Street press office was nasty but competent were only half right.

My agency is getting through a million dollars a day organising Sudanese food airdrops. But for what?

## Unnatural disaster

Catherine Bertini



**T**HE world's best investment in fighting famine is promoting peace. Like most famines, the tragedy in Sudan is man-made. The country's 15-year civil war has uprooted millions. The UN World Food Programme predicted the food emergency last September. But a worsening drought, lack of interest in the interna-

tional community, widespread fighting and a ban on relief flights by the Sudanese government have resulted in a much worse crisis today.

Now that pictures of the devastation are arriving on front pages and TV screens practically every day, the world is waking up to the tragic reality — that people are dying, at an average of 50 a day in Wau, one of the hardest hit areas.

The World Food Programme is currently running the largest airdrop operation in history at a cost of one million dollars a day; funded in large part by Britain and the US.

But what could the world have done to prevent this horror? In the case of Sudan, preventing famine is more than just a question of getting food fast to those who need it. This only serves as a Band-Aid if the war, the root cause of their

suffering, is not resolved. For Sudan, the necessary tools are diplomacy and mediation.

That is why I am encouraged by the British Government's recent brokerage of a three-month ceasefire between Sudanese government forces and the SPLA. Foreign Office Minister Derek Fatchett's successful diplomacy is a fine example of how the international community can address the root cause of the famine.

But they should not stop there. The international community should take advantage of the ceasefire agreement to help negotiate a lasting peace.

For nearly a decade, the World Food Programme and its partners have been delivering tens of thousands of tons of food to needy Sudanese through the umbrella organisation Operation Lifeline Sudan. Since 1992 we have deliv-

ered more than 360,000 tons to 4.7 million victims.

Since the Sudanese government gave us access to previously closed areas and authorised us to fly more planes, the pace of WFP's food deliveries has skyrocketed. In January, at the height of the fighting, we were barely able to deliver 150 metric tons by air. In July, we delivered approximately 10,000 tons and this month we should reach our target of 15,000 tons a month to war-affected areas. This will be enough food to feed approximately 2.6 million people. But all that we do will still probably not be enough. Even if we prevent people from dying from hunger next month, who is to say that if the ceasefire fails, all our efforts won't be lost once more? We will continue providing aid, even if it is extremely expensive and logistically

complex. As a humanitarian organisation, that is our job and we will strive to feed every innocent hungry person in Sudan, as long as we have the funding and can safely do so.

But the harder problem — an end to the war — is not for us to solve. It is the job of politicians. Governments should have a greater interest in stopping Sudan's war because they know their constituents suffer from "donor fatigue", an exasperation with funding humanitarian efforts that have no end in sight.

Likewise, leaders should recognise that the key to renewing the commitment to food aid is to show the world that aid does not have to last forever because the suffering can be stopped.

And governments and constituents alike should be interested simply be-

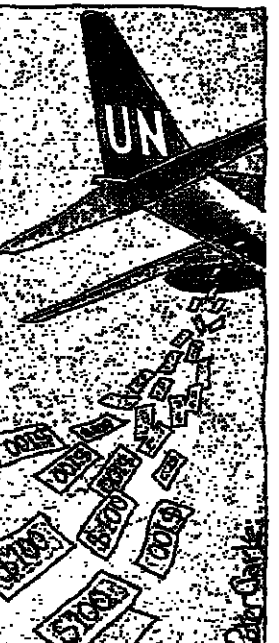
cause we all have a moral obligation to prevent innocent people from dying.

The world can remain hopeful about the peace talks taking place in Addis Ababa this week between the SPLA and the government, but hope is not enough.

So many years after the start of this bloodshed, we know there will be no quick fixes or easy solutions, but it is time that the international community began to prioritise it so deeply deserves. Without strong commitment and pressure from the international community, there will never be an end to hunger in Sudan.

One million dollars a day is very expensive Band-Aid. Shouldn't we be investing even more in a cure?

Catherine Bertini is the Executive Director of the UN World Food Programme.



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## Saddam's incitement

The UN should stay cool

IRAQ IS making all the running in the latest crisis with the UN — and the question why is the one we urgently need to answer. Yesterday's call from the parliament in Baghdad for an immediate end to co-operation with UN weapons inspectors ratcheted up the tension another unilateral notch. Yet it came only hours after the chief weapons inspector Richard Butler had told the BBC that the collapse of his talks in Baghdad with deputy prime minister Tariq Aziz was "not a crisis".

To make the picture more puzzling, it appears that Iraq is not so far from satisfying the requirements of the Security Council as hawkish commentators are suggesting. Certainly, the inspectors have established that Iraq after the Gulf war managed to conceal amazingly large quantities of weapons of mass destruction. The Baghdad regime continued to prevaricate and conceal as long as it could, only admitting the most damaging facts (particularly in the biological sphere) when compelled to by chance discovery. Yet again by Mr Butler's account yesterday, the UN is now "very close" in the areas both of missiles and of chemical weapons. Indeed, he explained, the UN special commission is now close to saying that Iraq has no weapons of mass destruction in some areas. The biological weapons area is still the one where evidence of compliance remains hardest to gather, and where Mr Butler says that "Iraq has never told us anything like the truth."

What are we to conclude from all this? Saddam's regime was notorious even before the Gulf war for its use of chemical weapons — to which the West turned a blind eye at the time. To move on to biological weapons — easier to transport and harder to detect — would be a logical progression. At face value then the answer is clear: Baghdad is creating a new diplomatic storm in order to frustrate detection in the one area where it intends to maintain a capability at any cost. This is, however, too easy a conclusion. No doubt Saddam would be very happy to outwit the inspectors, but by allowing them to narrow down the area of ambiguity to this point he has already exposed himself. No one can know exactly what is in his mind, but his behaviour suggests a more complex motive. In the end, he simply does not want the process to finish and the garrison mentality which helps him to remain in power to be dispensed by more normal relations with the outside world. The weapons, if they exist, serve to bolster his rejectionist posture. In any case the threat that they may exist helps maintain an atmosphere of destabilisation from which he profits. It also earns reluctant admiration from a large section of Arab public opinion which is well aware (a) that Israel has nuclear weapons, (b) that the Middle East peace process is going nowhere, and therefore (c) is more receptive to the argument about double standards.

In the end, Iraq's real interest lies in clearing up the last area of ambiguity which stands in the way of lifting sanctions. Indeed, if it did so, this would shift the onus on to the US, which is reluctant to agree that sanctions should be lifted while Saddam stays in power. But sadly the interests of the Iraqi people differ from those of its ruling clique. Saddam thrives on tension, as he has shown time and time again. There is no easy

way of handling him — if there were, it would have been found long ago. Nor should the authority of the UN (on those issues which enjoy the full backing of a Security Council resolution) be flouted. But the Secretary General, Kofi Annan, is absolutely right not to dramatise the latest confrontation. It is a "major hiccup", and it may get worse, but ultimately it is part and parcel of the games that Saddam plays, and the UN should react as coolly as it knows how.

## Secrets or lies?

We have the right to know

TODAY the Guardian publishes allegations of the most serious kind. They are made by David Shayler, the former MI5 agent who was arrested in Paris last weekend, and they accuse Britain of nothing less than state-sponsored terrorism against Libya. We do not publish them lightly: they appear in this morning's paper only after a long series of discussions both internally and with government lawyers, as we sought to be sure in our own minds that they represent no threat to national security. We are satisfied that they do not. But they do raise the gravest questions: about the conduct of our security services, of course, but also about one of the most basic freedoms of our society — freedom of speech.

There have long been rumours of Mr Shayler's claim that in 1986 MI5 ran, and bungled, a covert operation to assassinate Muammar Gaddafi. We, along with the entire British press, did not publish it because we were gagged by a tight injunction imposed when the former agent first surfaced last autumn. But yesterday Mr Shayler's allegations entered the public domain, via an article in the New York Times. It seemed

to us absurd to continue to keep British readers in the dark on the actions of a secret service which we pay for and which acts in our name — while American readers were allowed to be fully informed. The absurdity of that situation has already been recognised in law, with the landmark 1991 ruling of the European Court of Human Rights in the Spycatcher case — in which the Guardian was a lead player. Back then Britons were in the farcical situation of being allowed to read a book in New York which they could not buy in London. Eventually the Court ruled that, once information had entered the public sphere, there was no justification for keeping it away from these shores: to resist would be to make the law an ass. In the era of the Internet, where information is an instant, global commodity, that logic is sounder than ever — and it is the basis of our action today.

Moreover, these allegations have not been made in a fringe, flaky publication: they appear in the New York Times, perhaps America's most respected newspaper. Nor are the charges a matter of mere political embarrassment: they sketch a picture of an intelligence agency out to murder the head of a foreign government. We are not saying these claims are true; we are simply insisting on the right to find out if they are true or not. And that means publication — in the country where those charges matter most.

## Squaring circles

Magicians, heal thyself

AFTER THE trade unions and the Labour Party, another great British institution — the Magic Circle — is poised for change (unless, of course, it's all just a trick). The Magic Circle has survived for 94 years

without anybody outside knowing much about it. Indeed many people will be surprised that it has managed to survive at all in an age when new technology can do so many dazzling things without recourse to sleight of hand. We probably wouldn't have known anything about its inner workings for another century had a split not developed resulting in — horror of horrors — a contested election for president. Unless someone can pull something out of a hat there will be faction fights, even a split.

Since only 10 per cent of members are likely to attend the annual meeting in London in September — many seem to have disappeared — both sides are mailing as many people as they can. David Berglas, famous for his thought-transmission experiments on television, doesn't seem to have read the minds of his own members so successfully. He resigned earlier this year only to withdraw his resignation later (now you see it, now you don't) — thereby prompting the emergence of a rival faction led by Michael Bailey, a retired advertising executive. His faction (according to the London Evening Standard) has accused Berglas of the ultimate crime of 1998 — cronyism. If any magician knew how to make that vanish he or she could soon earn enough money to pack up their top hat and retire. Mr Bailey does have a trick up his sleeve. He has plans to bring the society into the twentieth century including something called "democratic elections" — a move which we applaud. Alas, as in so many industrial disputes, no one can wave a wand to settle differences by magic. It is therefore to be hoped that the world's most prestigious, not to say prestidigitational, magic society can solve its problems and, above all, avoid a split down the middle into two camps. The "Magic Semi-Circle" just doesn't have the same ring about it, does it?

## Letters to the Editor

Hey, big bender!

IT'S wonderful that the pink dollar keeps Sydney out of the red (Report, August 4). I was always of the opinion that lesbians and gays deserve equality because any other stance is morally unacceptable. I am now enlightened: lesbians and gays deserve equal rights because they like shopping. Keith Collins, Dungeness, Kent.

CONGRATULATIONS to Nick Davies (You're wrong, Frank, August 4). When we say someone suffers from welfare dependency, we say only that he suffers from having nothing else to depend on. Any cure for welfare dependency must therefore come from outside welfare. Does anyone in this Government dare tell Tony Blair? Earl Russell, House of Lords.

WOULD be interested to know the basis for your assertion that the word "bengel" derives from "bengel" the German for "stirrup" (Pass Notes, August 5). I had always assumed that it derived from the Yiddish "bengel", itself a derivation of the Middle High German "bungel" meaning "bungling". I will stick with this more appetising explanation. Mark Levy, London.

LAUDANUM. (Letters, July 30): circa the fifties, take your own bottle into any chemist and buy All Fours. Mix into melted Golden Syrup, dose one dessert spoon as demanded. It was very good as a child suppressor. Norma Davies, Banwell, Somerset.

CONGRATULATIONS to Armando Iannucci on his all too accurate parody of Radio 3's sad decline (G2, August 4). He will be sadly missed when the BBC fails to renew his contract. David Lewis, London.

HARRY Enfield says that the only time he stayed awake through a play was when a girl took all her clothes off in Equus (Arts, August 5). If he had really been awake he might have noticed that the naked person was a boy. George Wolfe, Hope Valley, Derbyshire.

## Shayler: the official view

CRIMINAL proceedings have commenced against Mr David Shayler under the Official Secrets Act 1989 (A return of those charged by the Crown, August 5). The normal rules about contempt of court in criminal proceedings apply and there is a strict limit to what can be published about his case.

I should, however, like to correct recent suggestions that the Government has obtained a "blanket" injunction against him or that there is confusion about its effect. The civil injunctions obtained last September prevent Mr Shayler and others from disclosing information which he obtained in the course of his employment in the Security Service.

But they are not "blanket" injunctions. They specifically allow both for the repetition of information disclosed in the Mail on Sunday last August, and for new disclosures if formal authority is obtained beforehand.

Nor is this the Government "gagging" or stifling legitimate criticism of the Security Service or stories which are otherwise of public interest. The only objective is to stop disclosures which would cause real damage to national security.

I realise that those wishing to publish stories deriving from Mr Shayler may gen-

inely believe that they cause no damage. Sadly their assessment is sometimes very wrong. Those publishing stories which carry a risk of breaching the law: they can also risk lives. Lord Williams of Mostyn, Minister of State, Home Office.

SOME aspects of MI5's vetting of new recruits come within the remit of the Data Protection Act (Letters, August 5) but what about the Security Service's failed card index?

US State Department files reveal that in 1940 the deputy director, Sir Eric Holt Wilson, told the Americans that the Security Service's central index of persons suspected of anti-British activity totalled 4,500,000 names. Holt-Wilson added that "the index is used freely by British industry and government departments" when employing people.

Some records were destroyed during the war but, presumably, other names were added after the war. What happens to this massive intrusion into people's civil liberties?

Stephen Dorrell, Holmfirth, Huddersfield.

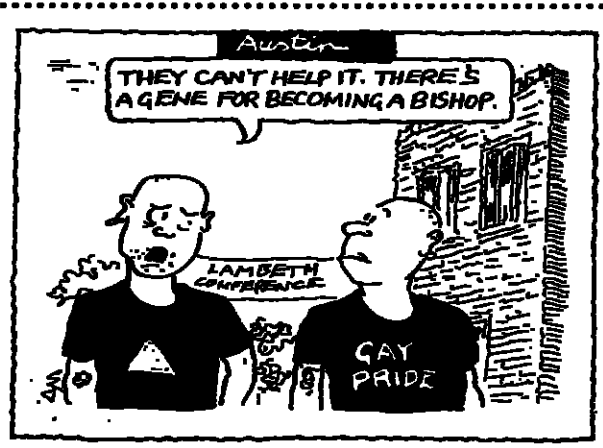
DAVID Shayler suggests that British intelligence is incompetent and inefficient and had plotted the assassination of Colonel Gaddafi (Runaway MI5 agent faces trial, August 5). In 1986 Britain, under Mrs Thatcher, did support the American attempt to use F-111s based in the UK to kill him.

We have obtained 10 of the timely and accurate warnings which were available to UK intelligence before our loved ones were murdered over Lockerbie in 1988. We repeatedly requested an inquiry into why these warnings were not acted upon. Mrs Thatcher rejected our requests.

At the one permitted fatal accident inquiry, public interest immunity certificates were prepared by her Cabinet, to "protect" certain documents.

Nevertheless the FAI, though forbidden to look at intelligence aspects, did show that, because the 747 involved had been repaired by empty at Heathrow, the bomb must have been loaded there, wherever it may have originated; it concluded that the aircraft was under the "host state" protection of the UK.

The present government has little to lose by granting our request for an inquiry into why MI5 and MI6 failed our families in 1988. Dr Jim Swire, UK Families-Flight 103, Bromsgrove, Worce.



A word from the Lord Chancellor

ANDREW Pudding (Letters, July 28) is mistaken when he writes that I have undergone a change of heart about an independent human rights commission.

In the second reading of the Human Rights Bill in the House of Lords on November 3, 1997 I said: "The bill does not provide for the establishment of a human rights commission... although we have given this proposal much thought, we have concluded that a human rights commission is not central to our main task today, which is to incorporate the convention as promised in our election manifesto... we would want to be sure that a potential benefits of a human rights commission were sufficient to justify establishment and funding for a new non-governmental organisation. We do not rule out a human rights commission in future, but our judgment is that it would be premature to provide for one now."

I also made plain on November 3 that the Government was giving active thought to a separate committee of each house, or a joint committee of both houses, with a specific human rights remit. We must now await the Human Rights Act bedding down in practice, in order to decide over time whether a human rights commission is needed as a weapon in our armoury for the protection of human rights in Britain. Irvine of Lairg, House of Lords.

## From Lambeth to the laity: please have some faith in us

I CAN assure Madeleine Bunting that the plight of Christians in Pakistan courageously affirming their faith in the face of the blasphemy law, and the struggles of Anglicans around the world for basic rights, religious liberty and freedom from poverty are very real indeed (Unholy and unreal, August 5).

The Lambeth Conference, bringing together some 1,000 people (bishops, spouses and members of the Anglican Consultative Council) from the front line of so many cultures where the crucial issues of our time are being fought out, is a uniquely authoritative forum. It brings together people from the grassroots of a great variety of cultures.

To take just one issue, international debt: over the last 10 years Christians, with aid agencies, have taken the lead in pressing governments and the international institutions to lift the crippling burden of debt. It is top of the Lambeth

agenda, so that the huge momentum for Jubilee 2000 in Britain might be reproduced in other parts of the world through Anglican leaders. Rt Rev Richard Harries, Bishop of Oxford.

NOW we understand why the Lambeth Conference is so poorly reported. You have a Religious Affairs Correspondent who thinks theology and prayer are "of little interest to anyone except the participants and a few devotees back home". While some of Madeleine Bunting's strictures may be true, particularly on homosexuality, she clearly has little sympathy with the conference.

It should not be impossible to report on the meaning of an event for over 70 million Anglicans throughout the world from a perspective within the Christian faith, rather than to impose your scepticism. Rev Peter Duncan, Haxby, York.

## Speaking up for the vulnerable and intimidated in rape cases

DEA Birkett's argument (Let the jury decide, G2, August 4) that the proposals about rape trials in the Office's report, Speaking Up For Justice, amount to special treatment for women is wrong on two counts. Firstly the provisions would apply in cases of male rape — rape is no longer a gender specific crime. Secondly, the proposals about rape trials are a small part of a much wider project to look at the place and treatment of witnesses, and especially those who, for a variety of reasons, may be vulnerable or intimidated.

Judges have the right to intervene to prevent the

badgering of witnesses, but most exercise this power with considerable caution. As a result rape victims spend a third more time in the witness box than victims of other serious assaults. To place one's case before the judiciary, as the Lord Chief Justice requests, and DEA Birkett supports, means more women describing their experiences as "like a second rape" and the continuation of the present situation where fewer than one woman in 10 reporting rape sees her attacker convicted. Kate Cook, Campaign to End Rape, Gilt Fashier, Chief executive, YWCA of GB.

SPEAKING UP For Justice point made 20 years ago by the Heilbron Report and endorsed in the Sexual Offences Amendment Act (1976) that cross-examination about the complainant's sexual history should only be introduced when relevant. The problem is that the introduction of such evidence was left to the discretion of the judges, the very group that was allowing its introduction in the first place. Without the introduction of training or monitoring of trials, judges have continued in their old ways and research has shown that the introduction of sexual history ev-

idence goes far beyond the intention of relevance to the issues in the trial. Canada, Australia and the US have all restricted such evidence. Here it is used in an attempt to discredit the victim's character. As the Dispatches documentary, Getting Away With Rape, indicated after earlier trials at Crown Courts in 1984, this is leading to serial rapists getting away with rape again and again. DEA Birkett ignores the fact that since 1976 the conviction rate for rape has dropped from 37 per cent to 9 per cent. Prof Sue Lees, University of North London.

## On the pitch

WHEN sporting officials are questioned about their competence and integrity, let us hold on to the simple truth expressed by Alex Stewart (The serious art of restoring a measure of self respect, July 28): "while umpires do make mistakes, they do not do so on purpose". In other words, they are both human and honest — unlike the growing band of "sportslogomaniacs" who seek to induce dishonest decisions. So grotesque has appearing because of the regular appearance of the bunched, quivering and screaming wide-eyed monster terrorising the old man in the white coat. Patrick Browne, Lincoln.

## Solvent abuse

THE National Schizophrenia Fellowship has worked with over 4,000 police officers on how to approach people with a severe mental illness. All our evidence supports fears raised by the Maudsley Hospital (Legal weapon, Society, August 5) over CS gas increasingly being used in the restraint of people known to have a severe mental illness.

The failings of community care have put police in the front line of dealing with mental health crises 24 hours a day. They need the best training based on clear guidelines to protect the mentally ill, the police and health staff.

We know that the solvent used in CS spray acts directly on the nervous system. CS gas itself can cause heart problems, exacerbating the cardiac side-effects of some drug treatments for schizophrenia. The full interaction with psychiatric drugs is unknown, but potentially very dangerous. From calls to our advice service, August 5, we are under the impression that police forces are using CS spray rather than sending sufficient numbers of officers to deal with a disturbance in a less confrontational manner.

Nurses and other bystanders need better guidance on dealing with the effects of CS gas. Police guidelines should be tightened up, and there should be a full review of the use of CS gas on people known to have a severe mental illness. CHIFF Prior, Chief executive, National Schizophrenia Fellowship.

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Richard Dunn ... support for the programme-makers

PHOTOGRAPH: DICK BARNATT

Richard Dunn

## Vision of the TV

**W**HAT people admired about Richard Dunn, who has died aged 54, was his grace and style. At 5ft 2in, the former Thames Television chief executive towered above his colleagues — and his courtesy stood out.

He joined Thames TV in 1978 as an assistant to Jeremy Isaacs, the then director of programmes. Within three years he was director of production and when Bryan Cowgill unexpectedly quit Thames, Sir Hugh Dundas made Dunn managing director of ITV's leading company.

There were many battles to be fought. Within Thames there was the fight against restrictive union practices — the station stayed on air during one strike with the management running the service. A far bigger debate was ahead. This centred on the SAS shooting of three IRA suspects in Gibraltar.

The Foreign Secretary, Sir Geoffrey Howe, denounced the programme in the House of Commons. Prime Minister Margaret Thatcher was raging. Neither had seen the programme.

Dunn resolutely defended the programme-makers. The programme went out, backed by the IBA and when the storm intensified Dunn and his then chairman Sir Ian Trethowan asked former Conservative minister Lord Windlesham to investigate the case. Windlesham com-

pletely cleared the programme. Thames walked tall, but Mrs Thatcher did not forget or forgive. There are still some who blame her because Thames lost its right to be a television company in the 1991 ITV franchise auction.

Interviewed by Paul Bonner, author of the forthcoming *Independent Television in Britain, Volume 2, 1981-92*, Dunn absolved the Independent Television Commission of being influenced by *Death on the Rock* in taking away Thames' franchise. "On the other hand," he added, "the programme had a significant influence on the Government's decision in 1988/90 to harden up the auction proposals." He added: "The ITC was affected by the clamour over *Death on the Rock* and whether it had been good judgment by the IBA to transmit it. It was George Thomson's IBA that gave the go ahead for *Death on the Rock*, it was George Russell's ITC that pronounced the death sentence on Thames."

Dunn went to make 1,000 people redundant. Eight years later the programme profile of the victor, Carlton TV, still looks undisturbed by comparison with Thames.

Dunn was born in East Anglia, the son of an English army officer, and an Icelandic mother. Educated at Forest School in Essex and St John's College, Cambridge, where he read fine arts, he was an amateur sportsman, winning a boxing Blue — and in university drama. After a year's teaching in Saudi Arabia he joined

Pathé News. By the mid-1970s he was heading the cable franchise Swindon Viewpoint. Then came Thames.

After the loss of the franchise Thames survived as a production house, and its major shareholder, Thorn EMI, quickly sold it to Pearson. Again Dunn's luck was out. Instead of keeping him at the helm Greg Dyke, who had just left London Weekend Television, was brought in. Non-acrimoniously Dunn and Dyke realised there could only be one boss — Dyke.

Dunn went to News International, as executive director with a direct line to Rupert Murdoch. It worked for a while and it ended again amicably a year or so ago.

Recently Dunn had his own business, worked as an advisor to the Premier League and chaired a production house. He had held two of the major independent television jobs: chairman of ITN and chairman of the ITV Association. His work for the industry did affect the time he was able to give to Thames at a critical period.

When I talked to him on the telephone last Monday he was cheerful and forward looking, buoyed by the recovery to health of his beloved wife Virginia — Jigga — enthusiastic about seeing his eldest son row for the Great Britain junior side in this weekend's world championships.

Dunn was a leader, an innovator — and a man possessed of a wide circle of friends.

Sir Paul Fox

Maurice Bardèche

## French with tears

**M**AURICE Bardèche, who has died aged 81, was always associated with his brother-in-law Robert Brasillach, who was shot as a traitor 53 years ago. The two were associated because Bardèche wanted it that way.

He regarded Brasillach's killing as a crime. He also continued to publicise the ideas they shared, a form of French fascism.

Bardèche was born into a modest family near Bourges in the Cher department. His life was transformed by a scholarship to Paris's Lycée Louis-le-Grand. There he met Brasillach and they both won admission to the École Normale Supérieure, earning high qualifications.

Bardèche married Brasillach's sister. The two men entered journalism but while Brasillach was more overtly political, Bardèche remained a literary critic. In his *Souvenirs* (1993) he described himself as a small withdrawn man into his shell.

But it was the right-wing newspapers that published his articles. When German troops occupied the Rhineland in 1936 he asked why they should lead to a war. He argued that a treaty with Germany would benefit Moscow and the Jews. In 1939 he wrote with Brasillach a book explaining his support for General Franco in the Spanish Civil War. The book was now called *Bardeche's* publication was his pioneering *Histoire du Cinéma* (1935).

During the German occupation he supported Marshall Pétain and his Vichy regime and antisemitic legislation. He saw the greatest war crimes as the Resistance's excesses, the bombing of Dresden and the post-liberation atrocities. The later condemnation of Brasillach demanded a reply from Bardèche. His assertions and denunciations led him into many law suits, quarrels and angry exchanges.

He created his own publishing house, devoted to Brasillach's works. It was a far-sighted decision. The books are now recognised as having considerable literary value. In 1952 he founded the right-wing *Revue de l'Occident*.

The right grew with the outbreak of war in Algeria. Former Resistance leaders allied with Pétainists to form the *Organisation de l'Armée Secrète*. Bardèche made the issue clear, publishing his manifesto, *What Is Fascism?*

By the 1980s the New Right, *La Nouvelle Droite* had emerged. It first appeared under the protection of Bardèche, preaching elitism, European superiority and a form of racism. Bardèche was not totally in favour of the movement, nor was he fully in favour of the National Front as it emerged.

Bardèche saw himself as part of the tradition of the Edwardian right-wing nationalist Maurice Barrès, founder of *L'Action Française*. He despised the world of the National Assembly, the political cliques which were the expression of individual ambitions and corruption. It was the contrast between the state of the Third Republic in the 1930s and the discipline, patriotism and the efficiency of Nazi Germany that had caused both Brasillach and himself to look admiringly towards Berlin.

Bardèche was also the author of impressive studies on Proust and Balzac. He knew what it was to be respected and win literary prizes. In 1944, he always appears to have sought controversy, this was what he wanted. He is survived by his wife Suzanne and five children.

Douglas Johnson

Maurice Bardèche, writer, born October 1, 1907; died July 30, 1998

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### Letters

David Phillips writes: I write as one who knew Gay Clifford (obituary, July 25) only as a fellow student at Workers' Education Association lectures in the past few years, during which she attended classes on various subjects, including music and medieval history.

In the last year or two she had become more and more articulate, often making witty and learned contributions. Sometimes, indeed, she would help out the lecturer with the odd technical term or accurate reference from, for example, classical sources. And she gave us many a laugh.

By the time her last illness overtook her your obituary's statement, that her mind had been destroyed and her memory had gone, seemed quite wrong. We shall miss her sorely.

Michael Healy writes: In his obituary (July 16) of the Czechoslovak poet and scientist Miroslav Holub, Ewald Osers states that his poetry is eminently translatable. What a pity that none of his translators are mentioned by any of the three obituaries.

Alistair MacDonald

## Faith in his advocacy

**A**LISTAIR MacDonald, who has died aged 71, was Sheriff of Shetland for 33 years and of Orkney for 24 years. His humanity, learning and wit made him a legend.

When appointed to Lerwick Sheriff Court in 1961, the 34-year-old advocate was Scotland's youngest sheriff. He became one of the most long-serving, retiring on his 65th birthday. From 1968 he covered Kirkwall Sheriff Court as well as Lerwick and, across the years, commuted thousands of miles by air — some in atrocious weather — over the wild seas around Fair Isle.

Before taking up his duties, Alistair visited a mainland prison where convicted islanders served their sentences. The experience convinced him that jail was a place where he ought to avoid sending anyone if at all possible, particularly young people. Figures showed that the imprisonment rate for of-

fenders convicted in his courts fell well below the Scottish average. Serious recidivists were sent down, but MacDonald's liberal sentencing policy exasperated some of the local police force and sometimes caused angry bewilderment among victims of crime and bereaved relatives.

Alistair's religious convictions played a strong role when exercising discretion on the side of mercy. He believed in the value of remorse and repentance, and referred to the burden that convicted persons carried with them for life, particularly in a small community. That was sometimes punishment enough.

His interest in young people showed in his care and discretion when hearing cases involving children. He never wore wig and gown when interviewing young witnesses in his chambers. He believed justice for children should be administered sensibly and disapproved of the

new Children's Panels, which he saw as unnecessarily bureaucratic.

Born in Edinburgh, and turned at a Protestant, he converted to Catholicism aged 16. He was a devoted churchgoer and was surprised and delighted to be made a Catholic Knight of the Holy Sepulchre in 1988.

In Lerwick Alistair and his wife Jill quickly made friends. He was an enthusiastic, witty host, willing to debate anything. He threw himself into community projects, such as the campaign to hire Shetland's first economic development officer, Bob Storey, and to establish the Highlands and Islands Development Board. On one famous, smelly evening he helped a bunch of fellow enthusiasts who borrowed a fish factory to prepare and can promotional samples of Shetland's splendid reest mutton soup. He became president of the Shetland Council of Social Service.

After retirement he stayed on in Shetland. He believed that his fellow islanders were the most kindly, hospitable and civilised people he had ever met. He particularly celebrated the absence of religious sectarianism in Shetland, and in Orkney, where he had a second home for many years.

He read widely and delighted in pursuing his interest in mediaeval church architecture. While sheriff in Orkney he had visited St Magnus Cathedral every day. It inspired him. As he said, it had, after all, been built by good Catholics, long before the unfortunate misunderstandings that led to the Reformation.

He is survived by Jill, their son, daughter and two grandsons.

Jonathan Wills

Alistair Archibald MacDonald, advocate, born May 8, 1927; died July 15, 1998



Alistair MacDonald ... inspired and inspiring

### The Guardian Travel Shop

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The Guardian

Andrew Townend

## Bluegrass in Sevenoaks

**A**NDREW Townend, who has died of pneumonia aged 46, was Britain's most gifted bluegrass musician, probably the only one of international stature. By the mid-1970s his originality and technical prowess exceeded that of any contemporary bluegrass mandolin player in the United States, and only recently have significant numbers of younger players begun to rival his compositional skills and bravura performances. He also became an excellent jazz guitarist. The work of Tal Farlow (obituary, August 3) began to influence

his mandolin style. Townend was a child prodigy. He was a pupil at Sevenoaks school in the 1960s and heavily influenced by his fine teachers, taught classics and music there. His older brother Richard became interested in bluegrass, the modern, commercial, acoustic music rooted in the Anglo-Celtic folk traditions of the rural south-eastern United States. Richard took up the five-string banjo and taught Andrew, then aged 11, to play the mandolin.

At the first Cambridge Folk Festival in 1965 the Echo Mountain Boys and were greatly assisted by the arrival



Townend ... peerless style

in Sevenoaks of Bill Clifton, an American bluegrass musician. At the first Cambridge Folk Festival in 1965 the Echo Mountain Boys and were greatly assisted by the arrival

by bluegrass pioneers such as Bill Monroe and Bobby Osborne when he toured the US. In 1975 the Echo Mountain Boys recorded their first LP. By then Andy was a key influence in the developing British bluegrass scene.

Having achieved early celebrity Andy had little scope to maintain the momentum. He chose to spend the rest of his life in and around Sevenoaks and Tunbridge, happily married to Patsy. He performed frequently in local pubs and clubs, but his music still came from the bluegrass hills of Kentucky. His wife survives him.

Alan Ward

Andrew Charles Philip Townend, mandolin player, born January 12, 1952; died July 21, 1998

Birthdays

Sir Charles Bonington, mountaineer, 64; Frank Finlay, actor, 72; Lorna Fitzsimons, Labour MP, 31; Geri Halliwell, former Spice Girl, 28; Sir Howard Hodgkin, painter, 66; Sir Freddie Laker, air charter pioneer, 78; Mollie Lister, actress, 76; Jack Parnell, drummer, bandleader, 75; Judge Valerie Pearlman, 62; Dr Wilfred Watkins, immunological geneticist, 74; Barbara Windsor, actress, 61.

### CORRECTIONS AND CLARIFICATIONS

A PHOTO caption in our TV preview of the BBC programme QED (page 20, G2 yesterday) said that the woman shown, named only as Twynna, had killed her baby at birth. We are advised that after giving birth, she abandoned the baby in a rubbish bin, and that it survived. We apologise to the mother for this error, which was based on information supplied to us by the BBC TV publicity department.

SEVEN SISTERS Country Park is at Seaford in East Sussex, not East Essex, as wrongly stated in the Parents section (G2, page 9.) yesterday.

TOM



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# AA pulls out of high street

Julia Finch

**T**HE AA is to close its network of 142 high street shops and cut 850 jobs, concentrating resources on the roadside breakdown service, which faces tough competition from the combined operations of the RAC and Green Flag.

The Automobile Association, which dubs itself "the fourth emergency service", is also abandoning its own brand insurance policies, which provide cover for 30,000 motorists, and selling off its Home Assistance service, which provides emer-

gency plumbers, electricians and other tradesmen to 9,000 subscribers.

The AA described the cutbacks as "strategic developments that will result in improved value and levels of service for 8.4 million members", but they are the result of a review of operations ordered by director general John Maxwell, a former director of the Prudential, when he joined the organisation 18 months ago.

The cost-cutting comes in the wake of changes in the roadside breakdown business. In the past few months the US marketing group Centad has spent more than \$1.2 billion to take on the AA.

It paid \$800 million for National Car Parks, which includes the Green Flag breakdown service, and is now spending \$450 million to add the RAC's motoring services.

That deal is providing 12,000 full members of the RAC's London club with windfall profits of £38,000 each.

In addition, Direct Line, Britain's biggest motor insurance company, has also moved into the breakdown business.

When the Centad deal is finalised, the AA will no longer have such a dominant position in the breakdown market and will have to fight to retain its market leader-

ship. The AA claims 47 per cent of the market, compared with the RAC's 30 per cent and Green Flag's 15 per cent.

A spokesman for the AA said: "The market has changed more in the last five years than it has in the last five years. It is now highly competitive."

Mr Maxwell pledged to improve standards within the association's core roadside business.

He said that £20 million was being invested in roadside assistance this year to get patrolmen to breakdowns more quickly and improve fix rates.

The association said it has high street stores, which have been losing money for some

years, were the victim of changing consumer behaviour.

The shops had been set up so that members could pay their annual subscriptions, and to sell insurance, but consumers now prefer to conduct business over the telephone.

According to the AA, 80 per cent of its insurance and subscriptions inquiries are now dealt with in that way. Customers who have continued to visit their shops will be transferred to telephone call centres in the next year.

"There has been a change in retail behaviour," said an AA spokesman. "The move to telephone call-centres has been widespread in many

businesses and we are reacting to a change in demand from our customers."

The 30,000 motorists with AA-branded insurance, which was provided through a joint venture with Eagle Star and went on the market only 12 months ago, will be offered new policies through the AA Insurance Service brokerage at renewal time.

The GMB union, which represents most AA workers, said that it was disappointed at the closures.

Like the RAC, the AA is a mutual organisation owned by its members. A spokesman said it remained committed to that status and would not consider selling out.

## Notebook

### Liffe loses points in bourse game



Edited by Mark Milner

**L**IFFE's rivals in mainland Europe are stepping up the pressure. Yesterday executives from Eurex, the alliance of Zurich's Solfero and Frankfurt's DTF, now renamed Eurex Zurich, boasted that so far this year, their combined turnover was ahead of the London derivatives exchange — 125 million contracts compared with 122 million — making Eurex number one in Europe.

Competition is set to intensify. Eurex is planning the launch of one-month and three-month contracts, based on the new benchmark bank rate, Euribor (European interbank offered rate) — products, which will be in direct competition with Libor (the London Interbank offered rate) products. Just to help them get off the ground, there will be a fee-holiday during the initial months.

It is also trying to build up its links with other derivatives exchanges — SIMEX in Singapore and the Chicago Board of Trade, although the relationship with Paris' Matif is still proving tricky.

In other words, it gives the appearance of having a well-planned strategy for expanding its product and geographical reach.

Compare that to the recent disarray at Liffe — the panicky adoption of electronic trading, top-level departures, the loss of market share in the key bond futures contract — although a lot of the DTF's share of that business is coming from London.

Nevertheless, although daily competition is pretty cutthroat, relations may prove less intractable over the longer term. The German stock exchange, which is part of the same outfit as the DTF, is already copying up to the London Stock Exchange.

Eurex chief executive Jörg Franke said yesterday that there was no movement on the derivatives side, but noted the new management team and structure at Liffe. Maybe both sides will indulge in some new thinking.

### Top pay peers

**I**T IS easy to dismiss what goes on in the boardrooms of Britain's 100 biggest companies as exceptional. Take the question of boardroom pay, always a contentious issue. FTSE 100 bosses are often accused of being out of a limb, on a headline-grabbing course which means the rest of the country's boardrooms risk the ire of the Government, shareholder action or public opprobrium, even though they are innocent of any remunerative excess.

What is interesting about this morning's survey from Incomes Data Services and

Arthur Andersen is that the average pay-rise for top executives in the FTSE's largest 350 companies is — within a whisker — the figure which the Guardian's Index of Top Executive Pay recently revealed for FTSE 100 bosses.

Clearly the absolute rewards are different. Bosses in the largest 100 companies can expect to pick up something like a third more than their peers further down the capitalisation rankings.

Quite right, too, when the size and often complexity of the businesses in question are taken into account.

More telling is that the "bad example" in terms of percentage increases, which many hoped was limited to industry's top echelons, is clearly more widespread.

Gordon Brown's efforts to enlist the support of regulators to pull the executives of privatised industries into line — now that most of the riches on their table have been snuffed — will not do. Margaret Beckett tried to dodge the confrontation. Many regard the problem as insoluble.

But it could be one way in which the Department of Trade and Industry's new man, Peter Mandelson, could make an early impression.

He need not be worried about making many new enemies. The Woolwich survey was published today suggests more than one in three of Britain's senior finance directors already reckon that he is the wrong man for the job at the DTF.

### Thinking cap

**W**ITH each of the banks that used to be building societies reporting interim figures comes further evidence that, post-conversion, life in the mortgage market, the traditional core of their business, is proving tough.

In the first quarter, for example, the Woolwich took just 1.5 per cent of the market for net new mortgage lending. Neither the Halifax nor the Abbey National, the established giants of Britain's home-loans business, has been setting the market alight either — although the latter at least has found some very profitable alternatives.

By contrast, Northern Rock, which is still a building society and proud of it, has managed to take 10 per cent of net new business.

That does not suddenly mean that the case for mutualism is unarguable — that banks who need to keep shareholders happy will never be able to match the building societies, who can offer better margins to borrowers and savers.

The banks will undoubtedly find ways of fighting back, through cost-control measures or product innovation. The Woolwich, for example, reckons that its new Open Plan mortgage, which comes with credit card and cheque book, will keep it competitive.

But it does mean that members of any building society should think very hard before they agree to do so — on the grounds of self-interest as well as of principle.

## British Bio gets new chairman

Julia Finch

**F**ORMER ICI executive Christopher Hampton is to take over as chairman of troubled drug development firm British Biotech after the announcement yesterday that John Raisman is to leave at the same time as chief executive Keith McCullagh.

Mr Raisman has been a director of the firm since 1993 and chairman for more than three years.

The company has been dogged by controversy over the past five months, since sacking Dr Andrew Miller, its former head of clinical trials. Though the company initially tried to suggest that Dr Miller had left in protest at being passed over for promotion, it later

emerged that he had expressed concerns to major shareholders about the company's two key drug projects. He then went public with his concerns, stating that Zalcitabine for pancreatitis was almost certainly useless and the cancer treatment marimastat — had no more than a 40 per cent chance of being effective.

And further allegations of insider dealing and boardroom tensions, Dr McCullagh, who founded the company, agreed to step down in September. The company has since been the subject of an investigation by the House of Commons Select Committee on Science and Technology, which is concerned that the British Bio scandal will undermine the credibility of the entire UK biotech industry.

## Savers desert Woolwich to tune of £235m

Julia Finch

**S**AVERS withdrew £235 million from their accounts with the Woolwich in the first six months of the year. The former building society also lost out in the mortgage market: its share of new lending in the first quarter was less than 1 per cent although this rose to 3.5 per cent by the end of June.

Woolwich, which yesterday announced a 12 per cent rise in pre-tax profits to £240.4 million, it has been cited regularly as a potential candidate for merger although Mr Stewart claimed yesterday that he was not speaking to any rivals.

The bank cut the number of its customers with mortgages in arrears and Mr Stewart warned about talking the economy into recession. "It'd be a little bit happier if interest rates didn't go up [any further]," he said.

The bank reduced its cost income ratio — used by the City as a measure of efficiency — to 43.8 per cent from nearly 44 per cent.

It increased its income from sales of unit trusts and PEPs by 70 per cent to £12.6 million and its insurance business increased its non-interest income by nine per cent over the same period last year.

the stock market last year, he said. Savers and borrowers were effectively locked-in to the Woolwich ahead of the flotation to ensure they received their "windfall" of shares.

While analysts were disappointed by the bank's market share, its shares bucked the trend, ending up 2.5p at 337.5p, helped in part by its announcement that it will buy back between £150 million and £200 million of shares in the next few months.

Given the bank's size in comparison with its competitors, it has been cited regularly as a potential candidate for merger although Mr Stewart claimed yesterday that he was not speaking to any rivals.

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### Retail banking on cards

**W**OOLWICH is in talks about offering bank accounts through high-street retailers, which would continue the trend among banks to search for cheaper ways to sell financial services products, writes Julia Finch.

John Stewart, Woolwich's chief executive, is talking to a few retailers which are already running loyalty schemes for their customers.

Possible candidates for a link could be petrol retailers such as Shell, which yesterday admitted that it was holding talks with a number of companies about extending its loyalty card to include financial services. Other partners could be

retailers such as Boots and WH Smith, both of which offer no banking arrangements. However, neither of them are thought to be anxious to extend their loyalty cards to include banking.

Loyalty cards are attractive to banks because they offer detailed information about customers.

Most of the supermarket chains already have links with banks, either directly, such as Sainsbury's Bank, which is a link between the supermarket and Bank of Scotland, or indirectly, such as the arrangement Lloyds TSB has with Asda to put branches in its stores.

### In need of spin



Peter Mandelson on the day of his appointment as Trade Secretary

PHOTOGRAPH: JOHN REARDON

## Finance chiefs judge Mandelson a doubtful asset

Julia Finch

**M**ORE than one in three of Britain's senior financial directors are unhappy at the appointment of the Government's spin doctor-in-chief, Peter Mandelson, to head the Department of Trade and Industry.

Some 90 finance chiefs questioned last week pronounced Prime Minister Tony Blair's decision to appoint the man nicknamed the Prince of Darkness to the role of Trade and Industry Secretary was bad news for business.

In the survey of 253 directors by Reed Accountancy Personnel and Accountancy

tancy Age magazine those opposed to Mr Mandelson's promotion criticised his lack of relevant experience and his image.

One said: "We need someone with a track record respected by captains of industry instead of this controversial figure."

Another asked: "How can anyone who has been a 'professional' politician all his life have any concept of what is good for UK business?"

Mr Mandelson does have some supporters. A fifth of those surveyed thought that the new Trade Secretary would be an asset to British business, pointing to his track record and professional credentials.

"He is an achiever and a

good organiser," said one. "He won't do good for the UK."

Another supporter, who was keen for the UK to move towards European monetary union, said the appointment would be "extremely useful".

The bulk of those surveyed had no opinion on Mr Mandelson's promotion and were willing to give him a chance to prove himself. David Collaghan, director of Reed Accountancy Personnel, said: "While his reputation has caused some financial directors to oppose the appointment, many more are open to persuasion and are prepared to give him time to make an impact on his department."

## Hanson acts on clean-up risk

Roger Cowie

**H**ANSON, the rump of the 1980s conglomerate built up by Lord Hanson, yesterday signed a ground-breaking insurance deal that provides an escape from huge environmental risks — at one time assessed at \$3 billion (about £1.2 billion) — which dogged it throughout the 1980s.

The group has paid a \$275 million premium for a policy which leaves it exposed to only the first \$100 million of any claims for cleaning up land contaminated by one of the subsidiaries of a 1981 acquisition — the Beazer housebuilding and

construction business. The policy provides cover up to \$800 million, for an indefinite period and regardless of changes in American environmental law.

Alan Murray, head of the construction materials unit, Cornerstone, said the deal with Swiss Re and Zurich could be a model for future protection from environmental liability. "It is quite an innovative approach, which could provide a basis for dealing with other environmental sites in the US," he said.

But the policy is unlikely to speed up the rate at which the sites are cleaned up. Under pressure from the US Environmental Protection Agency work to remove the impact of

the chemicals has been continuing for several years and many of the sites have been returned to a safe condition.

Beazer, which has since been floated as a separate company, acquired the huge liabilities when it bought the US company, Koppers, in 1988. It sold off the chemical operations but was left with liability for cleaning up 119 sites which had been contaminated under Koppers' ownership, mainly because of poor control over the use of creosote in treating telegraph poles and railway sleepers.

Hanson acquired the liability when it bought Beazer in 1991, and was left with responsibility for cleaning up the sites when Beazer subsequently left the group. Originally, Hanson provided \$2.2 billion to cover the clean-up cost and has been spending about \$70 million a year for the past few years. By the end of last year, the provision had been reduced to around \$675 million — but uncertainty over the total exposure had damaged the group's standing in the City.

Mr Murray said: "This provides us with a degree of certainty going forward."

Yesterday's deal will also leave Hanson with an exceptional profit of \$140 million in this year's accounts, stemming from excess provisions and the settlement of outstanding claims under existing insurance policies.

### TOURIST RATES — BANK SELLS

Australia 2.62	Germany 2.21	Malaysia 6.75	Singapore 2.77
Austria 13.73	Greece 467.89	Malta 0.52	South Africa 3.88
Belgium 57.39	Hong Kong 12.33	Netherlands 3.16	Spain 237.74
Canada 2.40	India 68.42	New Zealand 3.08	Sweden 12.70
Cyprus 0.225	Ireland 1.11	Norway 12.05	Switzerland 2.97
Denmark 10.79	Israel 5.58	Portugal 265.75	Turkey 426.240
Finland 5.83	Italy 2.788	Saudi Arabia 8.03	USA 1.69
France 9.40			

Supplied by Hartree (excluding rates, shaded and italicized)



Output figures add to interest-rate dilemma for Bank's monetary policy committee

## Factories bounce back

Mark Atkinson  
Economics Correspondent

**T**HE Bank of England's dilemma over interest-rate levels intensified yesterday when official manufacturing output figures showed the sector clawing its way out of recession, contradicting survey evidence of a deepening downturn.

Meanwhile separate evidence emerged that the services sector is still growing — albeit at a slowing rate — generating inflationary pressure.

The unexpectedly strong

data left the outcome of today's meeting of the Bank's monetary policy committee meeting finely balanced.

Although most City analysts still expect no change in policy given the undoubted slowdown in overall economic growth, some caution that it is robust enough to tempt the MPC to raise rates once more to ensure that the Government hits its 2.5 per cent inflation target.

"We still expect a rate hike," said Michael Saunders, UK economist at Salomon Smith Barney, the American investment bank.

According to the Office for National Statistics, manufac-

turing output grew by 0.1 per cent between April and June after falling in the two previous quarters — thereby satisfying the technical definition of recession.

Output was flat in June, but upward revisions to April and May's data meant that the sector inched ahead in the second quarter.

Although engineering output fell slightly, production rebounded in basic metals, pulp and paper, and rubber and plastics, the ONS said.

The figures appeared at odds with forward-looking surveys pointing to a deepening recession in manufacturing, although analysts said

the official data would probably soon catch up.

"Today's data are only a brief respite for manufacturing, and we expect it to continue to flirt with recession in the second half, rather than stage a recovery," said Kevin Darlington at Dutch bank ABN Amro.

Adam Cole, of HSBC Securities, described the data as a "false dawn". The Chartered Institute of Purchasing and Supply's monthly service-sector survey recorded the fifth consecutive slowdown in the rate of expansion in July.

Its activity index slipped to 55.9 from 56.8 in June, with

any reading above 50 indicating growth.

However, the CIPS survey also showed that cost and price pressures remain obstinate. In particular, the tightness of the labour market was reflected in a further marked rise in wages and salaries.

"The manufacturing malaise is denting confidence about the future, but is not so far having a major effect," said John O'Sullivan of Greenwich NatWest.

Unless the MPC is certain that growth is slowing quickly enough to keep inflation on target, it may decide to apply the brakes again.

In addition to weighing up the dangers of wage inflation, the MPC has been using its two-day meeting for a detailed discussion of the possible inflationary implications of new government spending plans and the minimum wage. Its decision will be announced today at noon.

Any increase is likely to run into a hail of criticism from industry, which is seeking a quarter-point cut in the cost of borrowing.

Ruth Lea, head of the policy unit at the Institute of Directors, said: "Monetary policy is now quite tight enough to contain whatever residual inflationary pressures there are in the economy."

Lisa Buckingham  
City Editor

## £1m-a-year salary club swells to 49

**F**ORTY-NINE directors from Britain's 350 largest companies received more than £1 million in pay and bonuses last year, according to a survey published today by Incomes Data Services and Arthur Andersen.

That represents about one in 40 leading executives, 13 of whom — including Smith-Kline Beecham's Jan Leschley and Martin Sorrell at the advertising agency, WPP — picked up more than £2 million.

The research almost exactly mimicked the findings of a recent study of directors' earnings by the Guardian, which showed an average increase for the highest-paid directors of 18 per cent.

But whereas the Guardian examined the highest-paid directors in the largest 100 firms, the latest research, albeit more dated, — suggests the best-remunerated directors in the biggest 350 companies received average rises of 27.8 per cent.

The authors of the IDS-Arthur Andersen study say: "All the signs are that boardroom pay is again going to come under close scrutiny from shareholders, the public and the Government."

The report comes as it has been disclosed that several directors at drinks group Diageo could face a showdown with investors over huge incentive packages.

It follows public condemnation of unjustified boardroom increases by the Prime Minister's office in the wake of the Guardian's study, which suggested that the best-paid directors in the FTSE 100 earned an average of £200,000

last year, before taking into account long-term incentives. Gordon Brown, the Chancellor, has insisted that privatised utilities should reflect customer-service levels and be monitored by industry regulators.

Incomes Data Services, which said the climate over executive pay was shifting because of the Government's devaluation of long-term incentives for FTSE bosses was £132,000 last year.

The research also reveals that most of the biggest pay packages came in the financial sector: the best-paid director at Johnson Matthey picked up £1.1 million; at Amvescap the total was £2.5 million; Close Brothers paid its top director £3.4 million; Mercury Asset Management's best-paid director earned £1.6 million; at Schroders the top pay was £1.1 million; and banking group Standard Chartered doled out £1.6 million to its best-paid executive.

But the highest-paid director out of all the 350 companies in the survey was Sam Chisholm, formerly of BSkyB, the satellite broadcaster, who earned £2.8 million — slightly more than £300,000 for every working day.

The IDS study shows that pay rises for British bosses ranged from 626 per cent for the senior executive at the mini-investment bank, Close Brothers, to minus 80 per cent for John Little at British Land. While 13 chief executives exercised admirable restraint and took no pay rise at all, nearly one in 10 of those surveyed helped themselves to a remuneration rise of more than a quarter.

Wall Street and City of London discount fears of cataclysmic collapse

## Financial markets step away from brink

Dan Atkinson and Mark Tran in New York

**W**ALL Street and the City stepped back from the brink last night as share prices rallied after heavy selling on both sides of the Atlantic. Fears, however, remained that the problems that triggered the slide have not gone away.

Stalling profits in the US combined with heavy export competition from the bombed-out Far East still hang over western markets despite yesterday's recovery.

London's FTSE index crashed nearly 165 points in early trading, pushed over the edge by Tuesday night's 299-point slide in the Dow Jones index. But with a 38-point rally in New York at the time of the London close, the FTSE ended down 103.6 points lower at 5632.5 — a loss of 1.8 per cent of its value.

Later, the Dow's rally slipped back to show a loss of 60 points an hour before the market closed, as doubts spread as to whether the selling was over.

European bourses, including London, had lost 3 per cent of their value during the worst point of the day, but ended just 2 per cent down. Helping to prop up continued the market closed, as doubts spread as to whether the selling was over.

By contrast, both the US and Britain — which restructured in the 1980s and early 1990s — are vulnerable to profit slowdowns and to intense competition from cheap exports from the Far East, now trying to trade its way out of a slump with goods priced in devalued currencies. David Bowers, analyst at Merrill Lynch in London, said the market had "very, very high expectations" of corporate profits and it was

hardly surprising that shares had tumbled at the first sign of weaker earnings.

"The stock-market tremor, he said, had been a salutary reminder that Far Eastern deflation was still working its way through the world system, and he expected investors to become more defensive, picking shares in solid companies supplying goods and services that are needed during good times and bad.

In the City, the consensus seemed to be that, even were there to be a market cataclysm at some later date, the events of the last 48 hours could not be said to have marked its beginning. One analyst described the share slide as "summer lightning" while another insisted a true market crash would need a catalyst, such as an aggressive change of direction of US interest rates by the country's central bank, the Federal Reserve.

A thickening of the clouds of scandal surrounding the Clinton White House could also prove the detonator for a general slump in share values.

But, for now, the absence of any immediate feeling of crisis was reflected in bullion markets, usually one of the first registers of collapsing faith in paper securities and currencies.

Gold closed a little higher, at \$298 an ounce, from \$285.5 on Tuesday night. Silver ended much where it started, at \$5.1 an ounce, having moved up to \$5.49 during the day before retreating again.

Roger Chaplin, of broker T Hoare, said the pull over both commodities and equities remained the lack of any recovery in the Far East. However, he suggested gold may be bumping along the bottom, prior to some sort of recovery, and noted that minerals companies such as Minarco and Rio Tinto were showing strong dividend growth that was undervalued by investors.



Tension tells on trade checker Gina Balice at the Chicago Board of Trade as markets fell

PHOTOGRAPH BY BETH A KESSER

## Goldmans' guru prescribes a tonic

**Mark Tran reveals how a few words from strategists and analysts can cause massive shifts in stocks and shares**

**C**ALM returned to the US stock market yesterday, as it was buoyed by upbeat comments from Abby Cohen, chief strategist for Goldman Sachs and one of Wall Street's most influential figures.

"In our view, the recent weakness in stock prices (almost 10 per cent for the major indices) has not been accompanied by a proportionate fundamental weakness. Specifically, the latest news on the economy and corporate performance have been better than is commonly perceived," she said, setting the stage for a mini-rally.

When the 46-year-old Ms Cohen speaks, Wall Street listens. Her comments were particularly important the day after the Dow Jones industrial average plunged almost 300 points, the third-largest fall in its history.

Her intervention came as a welcome tonic a day after another influential analyst, Ralph Acampora of Prudential Securities, contributed to the plunge with his bearish comments. On a day without meaningful economic news, the remarks of



Mr Acampora, director of technical research, were seized upon by a nervous market.

A previously self-proclaimed "raging bull", Mr Acampora said that he expected the Dow to fall 15-20 per cent "from its highs" and that "this interruption in the bull market" would last until autumn. "After being bullish for three years, I'm now in the bear camp," he said.

Mr Acampora made his

name in 1995 as being one of the first analysts to predict that the Dow would hit 10,000 — scoffed at until the market approached the magic figure. When he released his comment, the Dow was down 140 — the slide accelerated to 224 points within minutes.

Ms Cohen's words carry weight because she has been bullish about the stock market since February 1991, shortly after the Dow hit rock bottom at 2865. It then began its extraordinary ascent in one of the great bull markets.

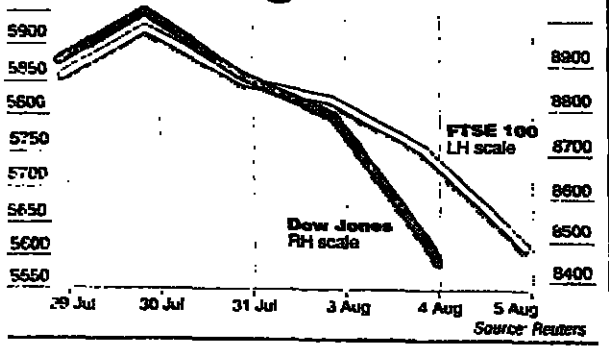
One by one, forecasters have turned bearish during the past two years. But Ms Cohen remains upbeat, although she believes that the Dow cannot repeat its impressive gains.

"For year-end we expect the Dow Jones Industrial Index to easily surpass 9300," she said.

Ms Cohen has argued that when the Dow approached 9300 in April, share prices would remain stuck in a choppy trading range after their big gains in the preceding five months.

**When Abby Cohen speaks, Wall Street listens: 'The news on the economy is better than commonly perceived'**

## On the edge



## BT losing calls abroad

Simon Beavis  
Media Business Editor

**B**ITISH Telecom has lost its grip on one of its major markets for the first time. Ofcom figures show that BT now controls just over a third of international business call revenues, compared with nearly 60 per cent two years ago.

Some 200 companies competing with BT, and its main rival, Cable & Wireless Communications, now hold 41.6 per cent of the market.

Although BT remains the single largest player, with 37.1 per cent, its market share has been hacked back from 57.4 per cent two years ago.

CWC and cable operators are down from a peak of 27.9 per cent two years ago to 21.3 per cent in the year to April.

The industry watchdog's figures also show BT's share of all business call revenues — international and domestic — is now in steeper decline than ever before, even though it remains the dominant provider and still has a solid 60 per cent share of all calls, domestic and business.

It now controls 64 per cent of all corporate call revenues compared with 72 per cent the year before.

Ofcom's new director-general, David Edmunds, said: "This shows the success of the UK's policy to liberalise the international markets."

With such fierce competition, customers can demand better services at better prices."

Ofcom says that BT has cut its call charges to the US by 58 per cent and to France and Germany by 79 per cent since privatisation in 1984.

But with the expansion of the phone market — fuelled by far greater data as well as voice traffic — BT is still serving good money from the business.

Total revenues from overseas business calls grew from £178.1 million in the second quarter of last year to £203 million in the three months to June 1998.

BT's revenues fell from £24.1 million last time to £25.1 million.

## Isa 'kitemark' criticised

Rupert Jones

**T**HE new tax-free Individual Savings Account has been dealt a serious blow after the Personal Investment Authority warned that Government plans to give them a stamp of approval could lead to a flood of people buying unsuitable products.

Raising the spectre of a new mis-selling scandal, the leading investment regulator said a proposed kitemark-style award for Isas which meet certain standards might be viewed by the public as a Government guarantee of performance. This could lure inexperienced savers into risky stock market-based invest-

ments when they would be better off with other products. The PIA's comments in a newsletter to investment companies represent the latest blow to the new accounts which go on sale in April 1999 and are designed to encourage those on low incomes to save.

Earlier this week the Inland Revenue warned that Isas would cost the savings industry £200 million to set up, prompting fears that consumers will have to pick up the tab.

Sainsbury's and Tesco have indicated they may not offer them.

The Treasury's plans to highlight Isas which offer good value were unveiled in

May. Its "CAT mark" award is designed to tell consumers at a glance that the product meets minimum standards.

But many sections of the investment industry claimed it would be seen as a Government guarantee — and the PIA agrees.

"The board is of the view that the development of the CAT standards amounts in effect to product endorsement," states the PIA. "This could lead to the danger that investors could be steered away from other products which might be equally or more suitable for their needs."

The PIA is one of the regulators being absorbed into the new Financial Services Authority.

## News in brief

## Atomic sell-off 'cost taxpayer £160m'

**T**HE taxpayer lost £160 million as a result of the bungled 1996 flotation of AEA Technology, once part of the Atomic Energy Authority, says the Commons public accounts committee. The MPs backed an analysis by the National Audit Office which in March censured civil servants for their handling of the sale and for inadequately supervising Cazenove, the broker which sold shares in AEA to three of its own companies.

Department of Trade and Industry officials were criticised for not phasing the sale. The PAC said that investors in AEA made a huge instant profit as the shares, sold at 280p each, rose to 323.5p on the first day of trading. By the end of May the shares stood at 777.5p each. — Nicholas Bannister

## Sterling hits GKN

**E**NGINEERING and defence group GKN said yesterday that first-half profits, which rose 13 per cent to £226 million before tax and exceptional, would have been up 16.9 per cent but for the strong pound. The group, whose armoured vehicles division won the lucrative order for the European multi-role "battlefield taxi" earlier this year, said talks about an alliance between its Westland helicopter subsidiary with Italy's state-owned Agusta were still in progress. — Nicholas Bannister

## Prudential jobs boost

**I**NSURANCE company Prudential is to create 500 new jobs at the head office of its recently acquired Scottish Amicable arm in Stirling. It is to spend £15 million on the office to accommodate the extra staff who will bring the workforce up to 2,300. — PA

## SR Gent factories to close

**U**P TO 500 jobs are to go at SR Gent, the troubled Marks & Spencer supplier taken over in June last year by Indonesian textile tycoon Marimuti Sijavasa. The company announced yesterday that it would close three factories — at Doncaster, Sheffield and Barnsley — over the next 12 months. — Nicholas Bannister

## Day the music died

**A**MSTERDAM became one of the few European capitals not to receive MTV on Wednesday after the music television channel withdrew from the market in a dispute with the cable TV authority. — AP

مكتبة الامم المتحدة















# SportsGuardian

England v South Africa fifth Cornhill Test

## Donald let off with fine and free to play

David Hopps on the bowler's punishment for his criticism of the umpire Kitchen

**A**LLAN DONALD, the South Africa fast bowler, is free to resume his battle with Michael Atherton in the fifth Cornhill Test at Headingley today after being spared an immediate ban for his public criticism of Mervyn Kitchen's umpiring performance at Trent Bridge.

Donald received a one-match ban, suspended for 12 months, and was fined £550 as the ICC match referee Judge Ahmed Ebrahim expressed sympathy for the plight of Test umpires in the age of the video replay.

South Africa's players had privately joked that they would abandon the tour if Donald was banned, but that option was considered far more seriously than they would have dared to believe. "I did give consideration to imposing an effective period of suspension," confirmed Ebrahim, who is a Zimbabwean Supreme Court judge.

To have banned Donald would have been an over-reaction. In the live radio interview at issue, which took place nearly a week after the end of the Trent Bridge Test, his intention had been to reflect sympathetically on Kitchen's avowed intention to retire.

Donald, who had suffered his own umpiring frustrations at Trent Bridge, when the New Zealander Steve Dunne failed to give Michael Atherton out, responded: "I think Merv Kitchen realises he made a few shockers which swung the result. If you lose concentration out there you are playing with players' careers."

"One decision can swing a game and, if you are not up to it, then get out of the game rather than cause yourself more damage." He then

added: "The pressure can be beyond belief and it looked to me like he was struggling."

Kitchen had been shaken enough by his faulty display at Trent Bridge, when he mistakenly gave out the South Africa batsmen Jacques Kallis and Jonty Rhodes, to suggest initially: "I don't think I feel up to the job any more."

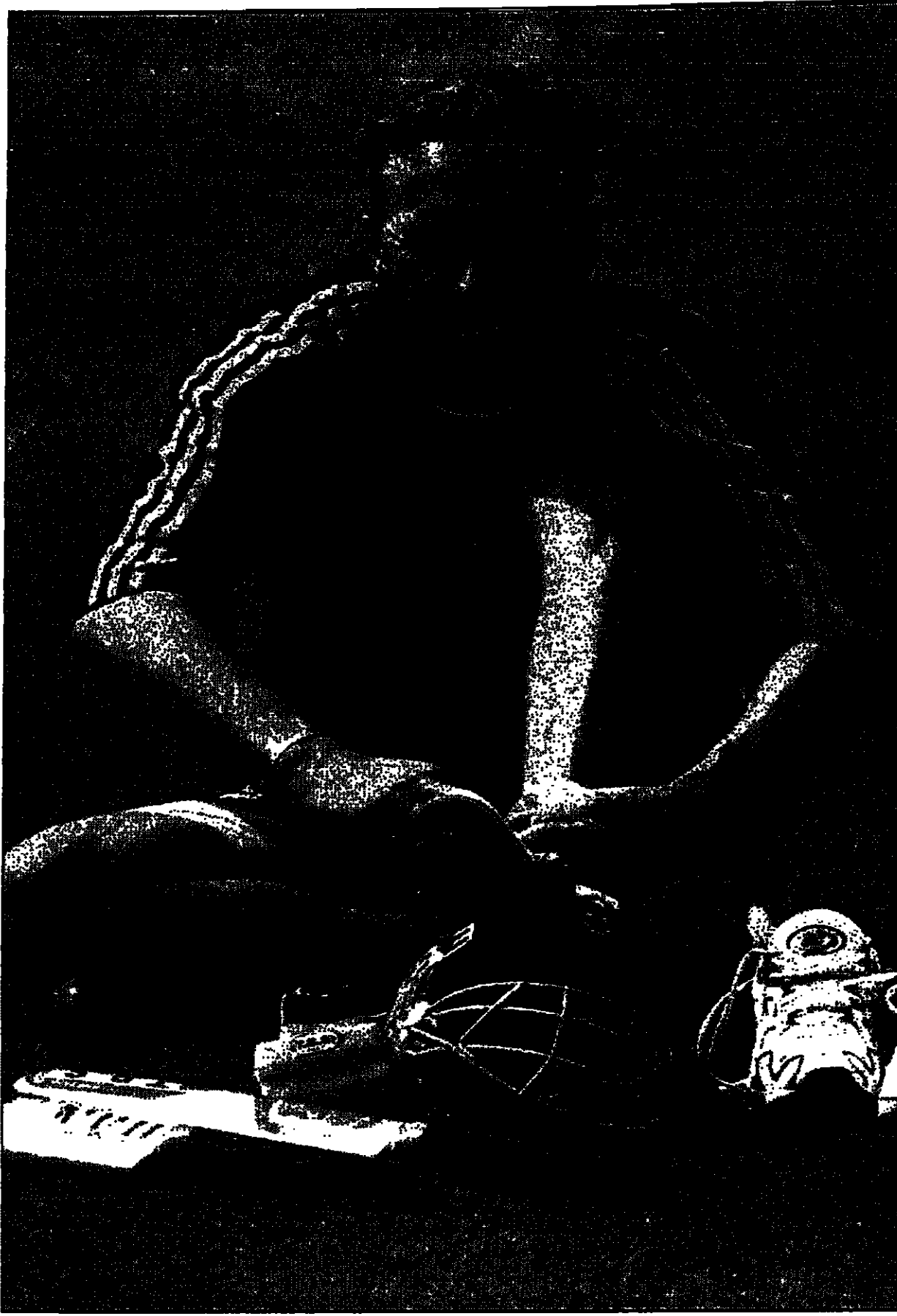
As he considers whether to withdraw from the international panel, he will have been encouraged by the extent of Judge Ebrahim's support. "It is beyond doubt that Mr Kitchen is a man of impeccable honesty," he said. "He carried out his duties during the Trent Bridge Test match with absolute honesty and in good faith."

"It is alleged that he erred in making a couple of decisions. The first and most significant person to hold up his hand and own up was Mr Kitchen himself. There was no attempt by him to find excuses or to make any effort to justify why he had ruled in a certain way."

"Umpires have a thankless task when they are called upon to make instant decisions within seconds. They don't have the benefit of TV replays and are required to make these in the heat of the moment. They are not armchair viewers like most of us but are ordinary respectable people doing an honest day's work as best they can."

It should not go unnoticed, however, that umpires' rewards have risen markedly in recent years. An English Test umpire receives a minimum of £2,500 per Test, with additional increments depending on their experience. These are substantial enough to mean that a senior Test umpire such as David Shepherd would earn slightly more than a junior Test player; Andrew Flintoff received £3,150 for his Test debut.

Donald survived because, Judge Ebrahim concluded, "he is a first offender and by reputation he is a fine man. He deserves a second chance."



Down but in ... Allan Donald, fined £550, looks forward at Headingley to playing in today's deciding Test TOM JEWONS

## England look for mental beef as the chips are down again

Mike Selvey assesses the requirements at Headingley to halt a distressing trend

**I**F England are to beat South Africa in the final Test they must ignore history and reverse the trends that have seen them fail to win a major series since retaining the Ashes in Australia more than a decade ago. If the game is played with the heart and the inches between the ears, then now is the time to demonstrate it. The team psychologist will have been earning his corn this week.

Depending on the degree of optimism, England are either on a certain loser or due a win. This is their 15th series of five or more Tests since Mike Gatting's team won in Australia and not one has brought success.

But it is worse than that for the Australians at that time were a moderate side and it is arguably 30 years, when Colin Cowdrey's side beat Gary Sobers's West Indies, since England last won a series against a team that were regarded as the best around. South Africa are not that but they are better than the 1986-87 Australians: to beat them would be a trumpet worth blowing.

Not that England have been without their opportunities. Four times in the past eight years they have gone into the final match needing a win to secure a series victory, and as many times they have failed. On three of the occasions defeat has been dramatic and humbling, casting serious doubt on the capacity of English cricketers to raise their game when the chips truly were down.

In fact, one has to go back 27 years for the last time victory in the final Test se-

cluded a series win in a full Test series, 43 to find the last such feat on home soil. Headingley always promises a good time but these days it is approached with trepidation by Englishmen as if it were a booby-trapped funfair. New Zealand began a trend in 1983 by winning there and the run has now extended to nine defeats, two draws and only three wins, two of them Gooch-inspired.

Although the pitch was reseeded some years ago to try to rid the place of its reputation for unpredictability, cricket here still requires discipline. The overhead conditions are the major factor: if it is sunny, the pitch can be sweet-natured, but let the clouds roll over and it can become a harrier. The word yesterday was that Leeds might come on the borderline between the baking weather predicted for the south and the cloudier north.

The selectors need to get the forecast right, for largely on this will be based their decision whether to play all four



Click ... spin alternative

specialist seamers and rely on Graeme Hick and Mark Ramprakash for any spin, or jettison a paceman, probably Alan Mullally, to make room for Ian Salisbury.

Even if the prognosis is for fine weather throughout, however, an all-seam attack could still prevail. With the pitch looking relatively grassless and cracked, the chances are that it will keep low towards the end of the match and pace bowlers best exploit that. Only if it is agreed that the pitch is likely to break up, and that mentally Salisbury can then cope with the absolute expectation that would be placed on him, would the leg-spinner play.

South Africa for their part have decided to dispense with Paul Adams and will select two of Makhaya Ntini, Steve Elworthy and the off-spinner Pat Symcox to accompany Allan Donald and Shaun Pollock. Pollock has been disappointing, failing to adjust his length from the requirements of hard wickets abroad. If he gets that right here, he could be a major factor.

The umpiring, the focus for much discontent at Trent Bridge, will be in the hands of Peter Willey, who is certainly not a fellow with whom to tangle, and Javed Akhtar, now the senior Pakistani official, who will be umpiring his first international in this country. He stood in a mid-diecast second XI match last week to get his eye in. Just like the real thing.

**ENGLAND** (from): M.A. Atherton, M.A. Butler, N. Hussain, M.J. Powell, G.A. Hick, M.A. Ramprakash, A. Flintoff, D.G. Cork, I.D.K. Salisbury, D. Gough, S. Elworthy, A.D. Murray, S. Jones, G. Kirsten, G.F.J. Liekeberg, J.H. Kallis, D.J. Cullinan, M.V. Boucher, S. Elworthy, M. Ntini, A.M. Donald, P.R. Adams, P.L. Symcox, B.M. Makhaya.

## All pumped up for a kick-about



Laura Thompson

**I**T WAS wishful thinking, of course, dreaming of an announcement from the Football Association thus: as logic decrees that Arsenal, the Premiership winners, cannot play Arsenal, the FA Cup winners, in the Charity Shield, the game will regrettably have to be cancelled.

But no, Manchester United have stepped into the breach and this week on Sky Television a cabal of pundits has previewed the fixture with more than usual faculty. One of them said that whoever won the Charity Shield would have "scored the first highly psychological blow" in the "battle for the Premier League".

In other words, according to this fool, the season will be as good as over before it has started.

That is one of the most irritating things about football, the way it always looks towards a future full of show-downs. Why can it never let anything just be?

The Charity Shield is a friendly. (Are you listening, Arsenal fans as you tesser on to your David Beckham effigies?) It is, almost by definition, contested between two good teams, so the point of it is surely to let them relax and let them loose.

The Charity Shield should, in fact, be a high-class kick-about. It is being played in high summer, after all, during what even football obsessives must surely recognise as a fairly important Test match. Indeed, football has erupted like a typically ill-mannered galecrasher into cricket's big party.

Is it not, therefore, appropriate for the Charity Shield to be what it is supposed to be, a herald of the football season rather than a vital part of it? Could not football have the grace, for once, to be mellow and laid back, to trumpet its arrival like Miles Davis?

Of course it could not. Such an idea, in that High Noon world, is heretical. Some of us may think a team could lose the Charity Shield and yet recover from that highly psychological blow. But minds more highly attuned than ours know that, in football, nothing is irrelevant. The man who scores the first goal on Sunday

will have set his stall out for the season. The man who manages the winning side will have played the first ace in a hand that contains five. And so on.

A sport which treats all events as unbelievably significant will, in the end, make them all insignificant. Football cannot go on like this. It will bust a gut.

Eventually people will realise it has played a con trick on them, pretending to be in a different league from all those other sports, with their low-guys and their parochialism. People will see that, stripped of its cosmopolitan veneer, football in this country can, in fact, be quite deadly: that 90 minutes is nearly always about 20 too many; that most finals are gravely disappointing; that forays into Europe are frequently embarrassing; that Alan Shearer is not the best striker in the world.

**O**NE keeps waiting for this realisation to dawn but still it shows no sign of doing so. The balloon just keeps on inflating itself. Every time it looks as if it might be about to collapse, something happens to pump it back up again: the 4-1 defeat of Holland in the European Championship two years ago, the Michael Owen goal against Argentina in the World Cup this summer.

Yet it did, at one point, seem as though the World Cup might lay upon English football the cool hand of reality. One had only to look at Glenn Hoddle's face during the Romania game, lost 2-1, to see that.

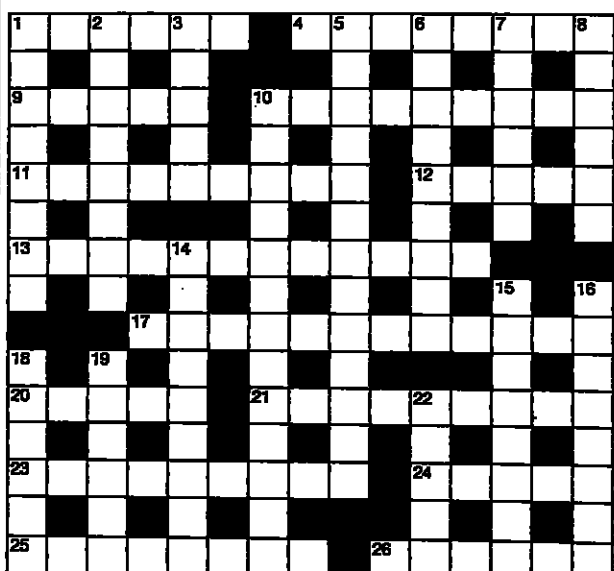
How grateful he must subsequently have been to Beckham, the player who, admittedly without meaning to, fell on his sword for his manager. Hoddle could have gone down in sporting history as the man who held the pin that pricked the football balloon. Instead he found a fall guy and off the bloody great thing floated again.

It was a lucky escape, none the less. Football's latest con trick is to have allowed the belief to grow that, had it not been for Beckham, England could have won the World Cup — an idea with neither substance nor meaning, typical of a sport whose collective aim is to keep that balloon floating ever higher.

This is why football can never let anything just be. It dares not for fear that, if it stops talking itself up, it will start falling down to earth. But there is only so much hot air one can pump into something, all the same.

## Guardian Crossword No 21,346

Set by Fawley

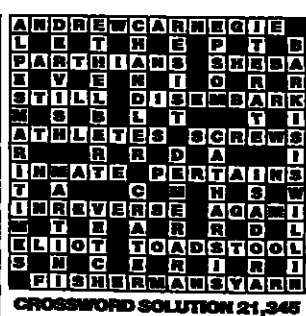


### Across

- 1 Established routine to find ring in trees (6)
- 4 Unable to absorb the authentic atmosphere (6)
- 9 Changing proportions in alloy? It's true (5)
- 10 Gives up bitter, given initial impetus (4-5)
- 11 Can groom upset new, but very old relative? (3-6)
- 12 Source of amusement — private supply of mushrooms, perhaps (5)
- 13 Annoyed about one woman, I dispute losing last capital (3,2,7)
- 17 Failing to get any kind of degree? (8,4)
- 20 Bow under stress, when one's fired (5)
- 21 Lynn singing in waterway's launching area (8)

### Down

- 1 Great second-hand vehicle dealer got — with this? (4,4)
- 2 Two unknowns entering room drunk? Just after deafening silence, perhaps (8)
- 3 Where the boatmen sing, and some drag lovers back ... (5)
- 5 ... as a result of something irrelevant (2,1)
- 6 Time to request civil engineer for special unit (4,5)
- 7 Relation is not listened to (6)



CROSSWORD SOLUTION 21,346

- 8 Tasty item exposed on a third page (5)
- 10 Where a real boulder could get his just deserts (8,5)
- 14 Spin bowler with two ducks and maiden giving enough scope? (5-4)
- 18 Such brainy impulses may be possible, in weirdly unreal circumstances (8)
- 19 Pursue investigation of how to define God? (6,2)
- 18 Wildly impulsive, international raised barrier first (5)
- 19 See friend edge in — such urges are instinctive (6)
- 22 In I down, possibly, start to take the long view (5)

### Solution tomorrow

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